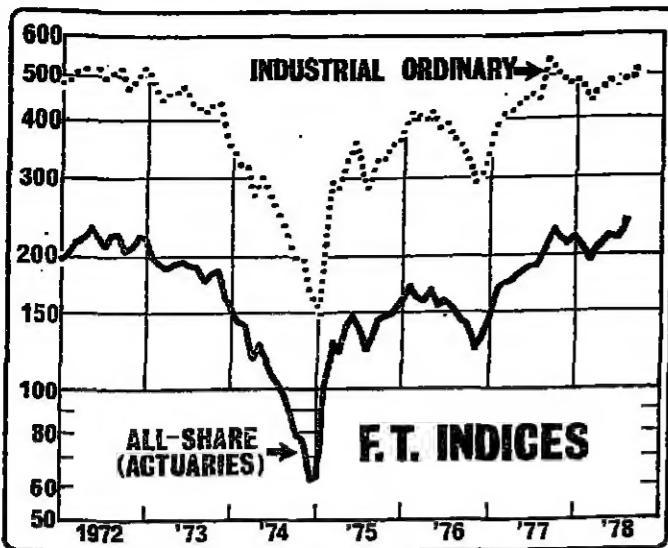


CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Pts 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY



Index through 500 mark

STRONG performance by equities took the FT 30-share index above the 500 level for the first time this year and raised the FT-Actuaries All-share index to its second all-time high in three business days.

Helped by surveys suggesting that the economy is now set clearly, if slowly, on the recovery path, the ordinary share index advanced sharply by 8.2 to 505.4, its best since October 31 last year.

The All-share index, the broadest measure of UK share price movements, which last Thursday reached its highest since May 1 1972, closed 3.01 (1.3 per cent) up at 230.80.

Hopes of satisfactory banking figures today confirming that the money supply has

been brought under control, and expectations that a gradual fall in interest rates may begin before long, were other factors encouraging the purchase of shares.

New peaks were also reached yesterday by the FT-Actuaries industrial group index, which, at 227.84, was 2.96 up on its previous high of 224.88 on Thursday, and the 500-share index, which, at 250.06, climbed 1.7 above its earlier peak of 248.32, set on Tuesday 14, 1977.

Buoyancy in other stock markets around the world has been another important influence encouraging the upward movement in London.

• **GILTS** moved ahead, with interest centred on shorts. The Government Securities index closed 0.06 up at 70.02.

The Commodities Research

Prices have come under in-

creased pressure because of the exceptionally slack demand, after an average increase of 5 per cent in guidance prices brought in under the Davignon plan on July 1.

The British Iron and Steel Consumers' Council said last night that the corporation's position meant that British steel users often paid more for their steel than the European competitors.

"We have been in general agreement with the Davignon plan, but it must be applied to everyone equally."

EEC industry officials said that they were likely to lower the ceiling for steel deliveries within the community from about 20m tonnes in the current third quarter to the fourth quarter.

This move is aimed at cutting back further on production in an attempt to keep prices stable.

The third quarter level is itself lower than the first- and second-quarter levels of about 31m tonnes.

According to an independent review of the European steel market, extensive undercutting, especially by West German steel mills, is breaching the price discipline which the Davignon plan attempted to impose earlier this year.

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"We

July 1978

This announcement appears as a matter of record only.

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THE LONG-TERM CREDIT BANK
OF JAPAN, LIMITED
TORONTO DOMINION BANK

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THE DAI-ICHI KANGYO BANK, LIMITED
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LIMITEDTHE LONG-TERM CREDIT BANK
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THE MITSUI BANK LTD.
THE MITSUI TRUST AND BANKING
COMPANY, LIMITED
MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
THE NATIONAL BANK OF KUWAIT SAK
THE NIPPON CREDIT BANK, LTD.
PROVINCIAL BANK OF CANADA
(INTERNATIONAL) LIMITED
THE SAITAMA BANK, LTD.
THE SANWA BANK LTD.
SOFIS LIMITED
THE SUMITOMO BANK, LIMITED
THE TOKAI BANK, LIMITED
TORONTO DOMINION BANK
THE TOYO TRUST AND BANKING CO., LTD.
WESTLB INTERNATIONAL S.A.Agent
WESTLB INTERNATIONAL S.A.

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

August 7, 1978

\$200,000,000

CITICORP

Floating Rate Notes Due 1998

Interest Rate through February 28, 1979 at 9%

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EUROPEAN NEWS

THE SOVIET OIL INDUSTRY

Offshore expansion makes
new technology necessary

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT, IN MOSCOW

THE OFFICIAL Soviet Government of producing 620-640 million tonnes of oil with Comecon countries, particularly Romania, East Germany and Poland, which have extensive shipbuilding capacity, in the exploration and exploitation of the ice-covered Barents Sea and other Arctic sea areas. This is especially the giant Samotlor field. According to Mr. Takoyev, output from the Samotlor field was 12 million tonnes in 1977, and is scheduled to rise to 140 million tonnes in 1978.

The Soviet view is that much of the technology and equipment they require is also available from non-American sources, even though turning to alternative suppliers could mean accepting less than the very best technology.

The Soviet Union's need to import substantial quantities of Western equipment is largely due to the sheer scale of the Soviet exploration and production effort. But it also reflects the USSR's relative technical backwardness in areas like accurate deep seismic analysis, deep drilling techniques and equipment, and off-shore technology.

This technology gap exists largely because most of the expansion of the oil and gas industry up to the later 1960s was concentrated on large, relatively accessible on-shore fields like the Urals-Volga. Here technology was developed to exploit oil and gas from relatively shallow hard-rock formations.

But the expansion eastwards into Siberia and the existence of large potential oil deposits in inland sea areas like the Caspian and off-shore areas like the Barents Sea and of Sakhalin Island in the Far East have created a need for both deep drilling and off-shore technology. They have also made necessary sophisticated gas injection recovery methods, pumping techniques and large dimension steel pipes.

In spite of these shortcomings, and the enormous difficulties of producing and transporting oil and gas in the harsh Siberian environment, the Soviet industry is still on line to fulfil its target

of 300-310 million tonnes projected in the current Five-Year Plan. Production of 350 million tonnes is expected from the West Siberia oilfields by 1985.

According to Mr. Takoyev, the latest Soviet estimate for the output from the West Siberia oilfields as a whole in 1980 has been increased to 315 million tonnes as compared with the 300-310 million tonnes projected in the current Five-Year Plan.

The industry also holds out good prospects for the East Siberian fields where some Soviet geologists believe there are more than likely to be extensive gas deposits, while others believe that seismic studies so far indicate large and balanced deposits of both oil and gas, according to Mr. Takoyev.

On the subject of Comecon co-operation in the energy field, which was one of the major topics for discussion at the recent Comecon summit in Bucharest, Mr. Takoyev said there are now several long-term agreements lasting into the 1990s. These cover co-operation in off-shore exploration, down-hole instruments, surface installations, pipelines and scientific and technological research into fields. He also indicated that Soviet supplies of oil and gas to Comecon "would not be less than now" during the next Five-Year Plan.

Foreign companies, including BP, Wimpey, Brown and Root, McDermott and Japanese and French companies are currently awaiting a decision from the Ministry of Foreign Trade which is shortly expected to award a new contract for off-shore drilling in the Caspian.

Mr. Takoyev made clear, however, that in general Soviet policy is to encourage the development of new indigenous gas finds.

The implication is that although Soviet energy shipments to other Comecon countries will not fall in quantitative terms, Soviet oil and gas will satisfy a decreasing percentage of Comecon's overall rising energy needs.

This would leave the Soviet Union free to export whatever surpluses it can manage to produce in the USSR to the hard-currency areas from which it still believes it will be able to obtain the technological assistance it requires.

A drill rig in Siberia, with enclosed work space to protect workers from the -50°C temperatures.

In some Comecon countries, and the expansion of their coal, lignite and other energy sources. The USSR also wanted to further greater oil economy, and increased trade and co-operation with oil-producing countries outside the Soviet Bloc.

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The Northern Trust Bank

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June 30, 1978

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JOHN A. BARR
Dean Emeritus
Graduate School of Management
Northwestern UniversityCHARLES H. BARROW
Senior Executive Vice President
Northern Trust Corporation
The Northern Trust Company

KARL D. BAYS

Chairman
American Hospital Supply Corporation

SILAS S. CATCHART

Chairman
Illinois Tool Works Inc.

JAMES W. COZAD

Vice President, Finance
Standard Oil Company (Indiana)

ALBERT B. DICK III

Chairman
A.B. Dick Company

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G. D. Searle & Co.

EDWARD S. DONNELL

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Montgomery Ward & Co.,
Incorporated

DOUGLAS R. FULLER

Retired Vice Chairman
Northern Trust Corporation
The Northern Trust Company

CHARLES W. LAKE, JR.

Chairman and President
R. R. Donnelley & Sons Company

WILLIAM G. MITCHELL

President
Central Telephone & Utilities
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JOHN S. REED

Chairman
Santa Fe Industries, Inc.

GILBERT H. SCRIBNER, JR.

Chairman
Scribner & Co.

EDWARD BYRON SMITH

Chairman of the Board
Northern Trust Corporation

HAROLD BYRON SMITH, JR.

President
Illinois Tool Works Inc.

E. NORMAN STAUB

Vice Chairman
Northern Trust Corporation

PHILIP W. K. SWEET, JR.

President
Northern Trust Corporation
The Northern Trust Company

OMER G. VOSS

Director and Retired Vice Chairman
International Harvester Company

ASSETS

Cash and Due from Banks	\$ 567,848,000
Securities	
U.S. Government	522,760,000
Federal Agency and Other	8,160,000
Obligations of States and Political Subdivisions	358,265,000
Trading Account	145,843,000
Money Market Assets	
Federal Funds Sold and Securities	
Purchased under Agreements To Resell	189,150,000
Other Domestic	297,764,000
Foreign Offices	492,103,000
Loans	1,718,757,000
Reserve for Possible Loan Losses	(25,584,000)
Buildings and Equipment	87,844,000
Other Assets	88,109,000
TOTAL	\$ 4,451,019,000

LIABILITIES

Deposits	
Demand	\$ 1,113,095,000
Savings	815,584,000
Other Time	660,595,000
Foreign Offices	776,274,000
Total Deposits	\$ 3,665,548,000
Federal Funds Purchased and Other Borrowings	708,419,000
Accrued Taxes and Other Expenses	66,950,000
Other Liabilities	27,976,000
Long-Term Notes	50,000,000
Total Liabilities	\$ 4,218,893,000

STOCKHOLDER'S EQUITY

Capital Stock—\$20 Par Value	\$ 66,000,000
Surplus	101,000,000
Undivided Profits	40,126,000
Reserve for Contingencies	25,000,000
Total Stockholder's Equity	\$ 232,126,000
TOTAL	\$ 4,451,019,000

The Northern Trust Company

Wholly-owned subsidiary of Northern Trust Corporation

Main Offices: 50 South La Salle Street at Monroe

Chicago, Illinois 60675 (312) 630-6000

Banking Corner at the Northern Building: 125 South Wacker

at Adams, Chicago, Illinois 60675 (312) 630-6000

EUROPEAN NEWS

Prime Minister of W. German state forced to resign

BY JONATHAN CARR

BONN, August 7

DR. HANS FIBLINGER, the Prime Minister of the West German State of Baden-Wuerttemberg, today announced his resignation following a mounting barrage of criticism of his activities as a naval judge towards the end of the Second World War.

In bitter comments to reporters Dr. Fiblinger, aged 64, said he had been done a grave injustice—that he was the victim of a defamation campaign unparalleled in Federal German history.

Pressure on him to step down— even from within his own Christian Democratic (CDU) party—became overwhelming following revelations of death sentences he passed on deserters when serving as a naval staff judge in Norway in 1945.

Initially admitted to being involved in only one case, but further details of others emerged as the CDU leadership was ready to support Dr. Fiblinger against public criticism.

Dr. Fiblinger noted that he had been under orders, and that he had on occasion been able to use his influence to obtain remission of sentences. In the last few months he has constantly said he had been the victim of a campaign of extreme Left-wing circles.

His decision to resign brings to a close a 12-year career as a Government leader, during which he further strengthened Baden-Wuerttemberg's position as a key CDU bastion. At the last State elections in 1976, the CDU gained

Ecevit attacks strict loan conditions

By Metin Mumur

ISTANBUL, August 7. MR. BULENT ECEVIT, the Turkish Prime Minister today criticised developed countries and international finance organisations for imposing restrictions on the economies of underdeveloped nations, which could lead to political upheaval.

"Countries and institutions allocating credits usually force the economies of underdeveloped countries to stagnate in the name of stability," said Mr. Ecevit. But he claimed that developing countries could only achieve development through "dynamic stability."

Enforcing "stagnant stability," he said, could result in widening the gap between developed and developing countries, as well as social and political upheavals due to slower development or higher unemployment.

Such "upheavals could increase the tendencies to establish autocratic regimes."

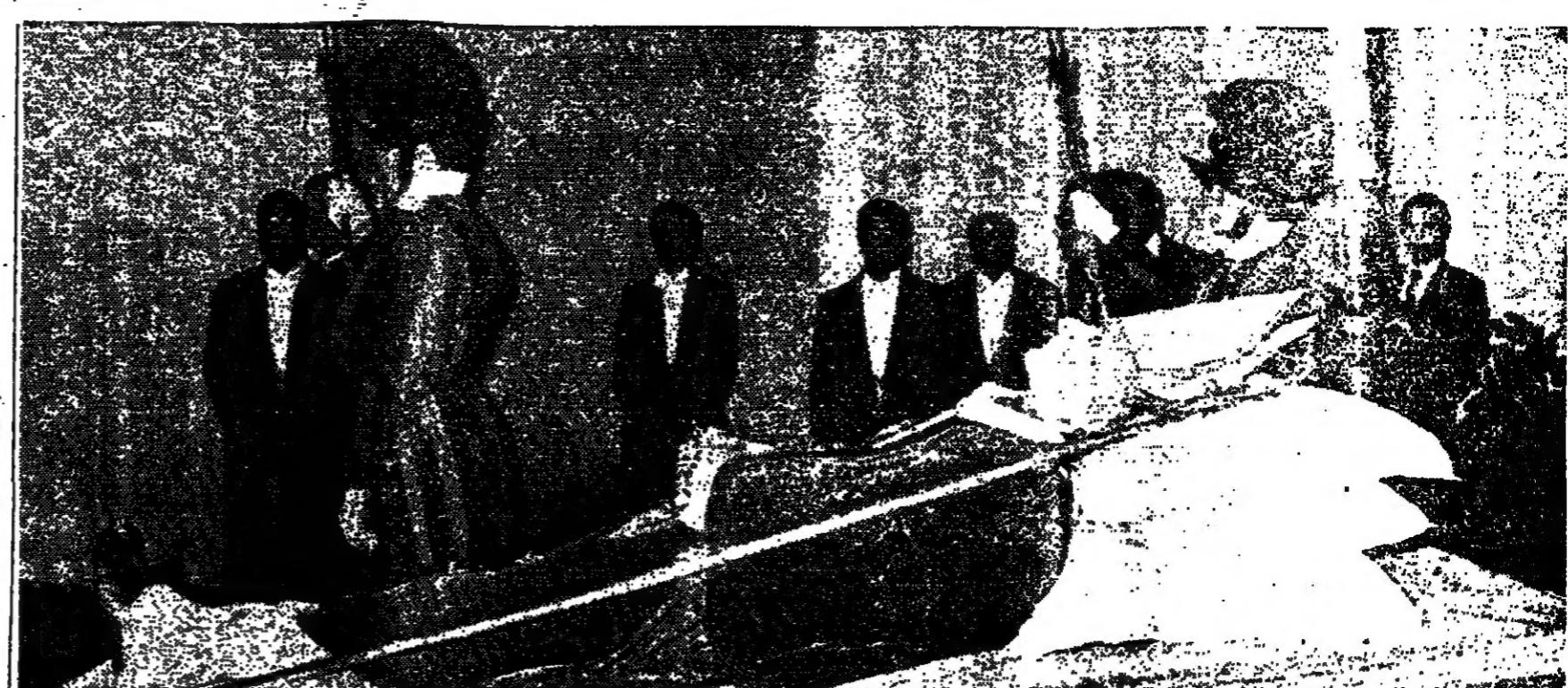
Mr. Ecevit's words clearly referred to conditions in Turkey and reflected his fears about it.

Turkey's economic condition has forced Mr. Ecevit's administration to adopt a stabilisation programme which is leading to stagnation. The programme has been formulated in consultation with the IMF, which signed a stand-by agreement with Turkey.

Mr. Ecevit also condemned multinational companies, which, he said, "are not at ease with democracy even in their mother countries. They tend to move away from labour-intensive industries in their mother countries, where labour rights are protected by democratic regimes, and install them in countries where authoritarian regimes offer wages at low levels."

Mr. Ecevit was speaking before the opening session of the seminar in Istanbul on the "new international economic order" attended by representatives of a number of underdeveloped nations. The five-day seminar will examine the "balance sheet of four years" since the special session of the UN General Assembly in 1974.

Mr. Ecevit suggested some prerequisites to help the underdeveloped nations break out of their "vicious circles."



Mourners flock to palace as Pope Paul lies in state

By PAUL BETTS

THOUSANDS OF

pilgrims

flocked today to the Papal palace

of Castel Gandolfo, near Rome,

where Pope Paul VI died last

night, aged 80, after a heart

attack while attending mass in

bed. All public buildings in Rome

flew flags at half mast today.

The French Cardinal Jean Vil

lot, the Vatican Secretary of

State, took interim control of

the daily administration of

church affairs. A council of car-

dinals currently present in Rome

are now to organise the Con-

clave, which must take place

within 10 days, to elect

the new Pope.

While Pope Paul's papal ring

and seal were smashed today fol-

lowing Church tradition, there

was already speculation here over

his possible successor.

The general view here is that

the Sacred College of Cardin-

als is expected to elect another

Italian pope, although the voice

of the Italian cardinals within

the conclave has been sharply

back.

Among the most likely candi-

dates is Cardinal Sergio Pignedoli, an intimate friend of Pope

buried in the crypt after a

funeral service on Saturday.

Messages of sympathy from

Cardinal Pignedoli is also

throughout the world reached

the new Italian President, Sig. Sandro Pertini,

who only last week officially

retired from non-Christian affairs

and hence could win the support

of The World's representatives

of the Sacred College.

Pope Paul's body, in Red Papal

vestments, lay today in the

second floor "Swiss Hall" of

Castel Gandolfo, the Pope's

summer residence. The body

will be moved to St. Peter's

Rome on Wednesday and will be

night took Italy by surprise.

During his Easter address, how-

ever, Pope Paul had spoken

about his deteriorating condition.

Pope Paul's reign was

generally regarded as a transi-

tional phase in the Roman Catho-

lic Church. Pope Paul aimed

above all at consolidating the

innovative and progressive

reforms of Pope John XXIII.

His successor, now expected

to provide a clue to the way the

Catholic Church intends to move

and to adapt itself to a modern

world and a changing society.

Eanes to meet political leaders

By JIMMY BURNS

ALTHOUGH the deadline set by President Ramalho Eanes last week for the solution of Portugal's political crisis expired today, the country remains without a Prime Minister and Government.

The President was due to meet the main political leaders, including Dr. Mario Soares, the former Prime Minister, tonight to present what is believed to be a list of possible candidates for the premiership.

It is thought that the post will go to a moderate socialist rather than to a military man as suggested earlier. The President is believed to be keen on calming the aggressive attitudes adopted by the Socialist Party after its public rejection of the presidential ultimatum last

July 20. Dr. Soares has already made plain his disapproval of the possible appointment of a military man to head the next Government. Dr. Soares said that the appointment would put too much power in the hands of the armed forces. The President is a General and is advised by the military Council of the Revolution, a body empowered to veto future Government legislation.

Almost lost in the general political confusion is the fact that a nationwide strike by Portugal's 8,000 merchant seamen has now entered its fourth week. The strike is continuing because of the refusal of Ministry of Labour officials to sign a collective wage agreement. The President cannot ignore it in any

attempt to do so. The strike threatens to affect fuel supplies to the important tourist region of the Algarve. It may also disrupt food supplies to the Azores and Madeira. The seamen are demanding an increase of 10 per cent and improved conditions.

Portugal's hotel workers, who went on strike earlier this month, may soon stop work again. The earlier stoppage was 70 per cent effective in some parts of the country and complete in a number of major hotels.

The latest bout of labour militancy is believed to be the result of a reminder by the Communist Party that it is still a force to be reckoned with, and that the President cannot ignore it in any

P & O director seeks shipping diversification

By Lynton McLain

WORLD SHIPYARDS should concentrate on building "non-commercial" shipping, including small vessels for coastal trades, fishing and oil protection. Mr. Sandy Marshall, managing director of P & O said in Norway yesterday.

Mr. Marshall spoke at the launch of the Ragni Berg motor vessel from the Drammen shipyard. He criticised the British Government for its short-sighted measures providing "give-away ships" for Poland and other developing nations. This only postponed a reduction in Britain's shipbuilding capacity.

He said the problems in the shipyards were severe, but subsidies were unproductive.

French radical leader may lead unemployment study

BY DAVID WHITE

PARIS, August 7.

THE JUNIOR of the three parties in France's one-time Union of the Left, the Left Wing Radicals, has been split by reactions of other Left Radicals, has been split by wingers and described the move as proof that the President was unhappy with the Government's record on employment.

He would, he said, demand full information before giving his final acceptance to the President.

The party's central committee has been summoned for an urgent meeting on Wednesday to discuss M. Fabre's appointment to the Commission of the Government and the look into the unemployment problem.

M. Michel Crepeau, who replaced M. Fabre as leader after the election, was always the Left's pole of attraction and he dissociates M. Fabre's name was "grieved" by his pre-out with the strongest invective his predecessor's rapprochement with the proposed mission.

It's about time we put the record straight

We alone make DAF Trucks and we make trucks alone



Three years ago, we sold our 'small car' manufacturing interest to one of our leading competitors in the truck field. We did this so that we could concentrate all our talents into producing trucks – and nothing else.

We believed at that time, and still do, that too many truck manufacturers have too many fingers in too many pies...

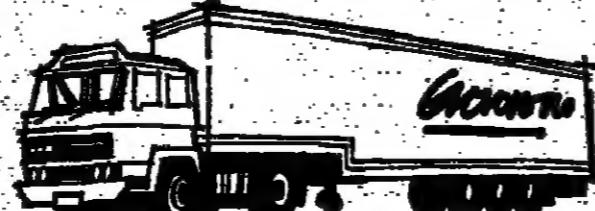
The result, sub-standard trucks with sub-standard back-up service.

So how has this decision affected us?

Well, last year saw our best ever profit situation with market penetration increasing throughout Europe.

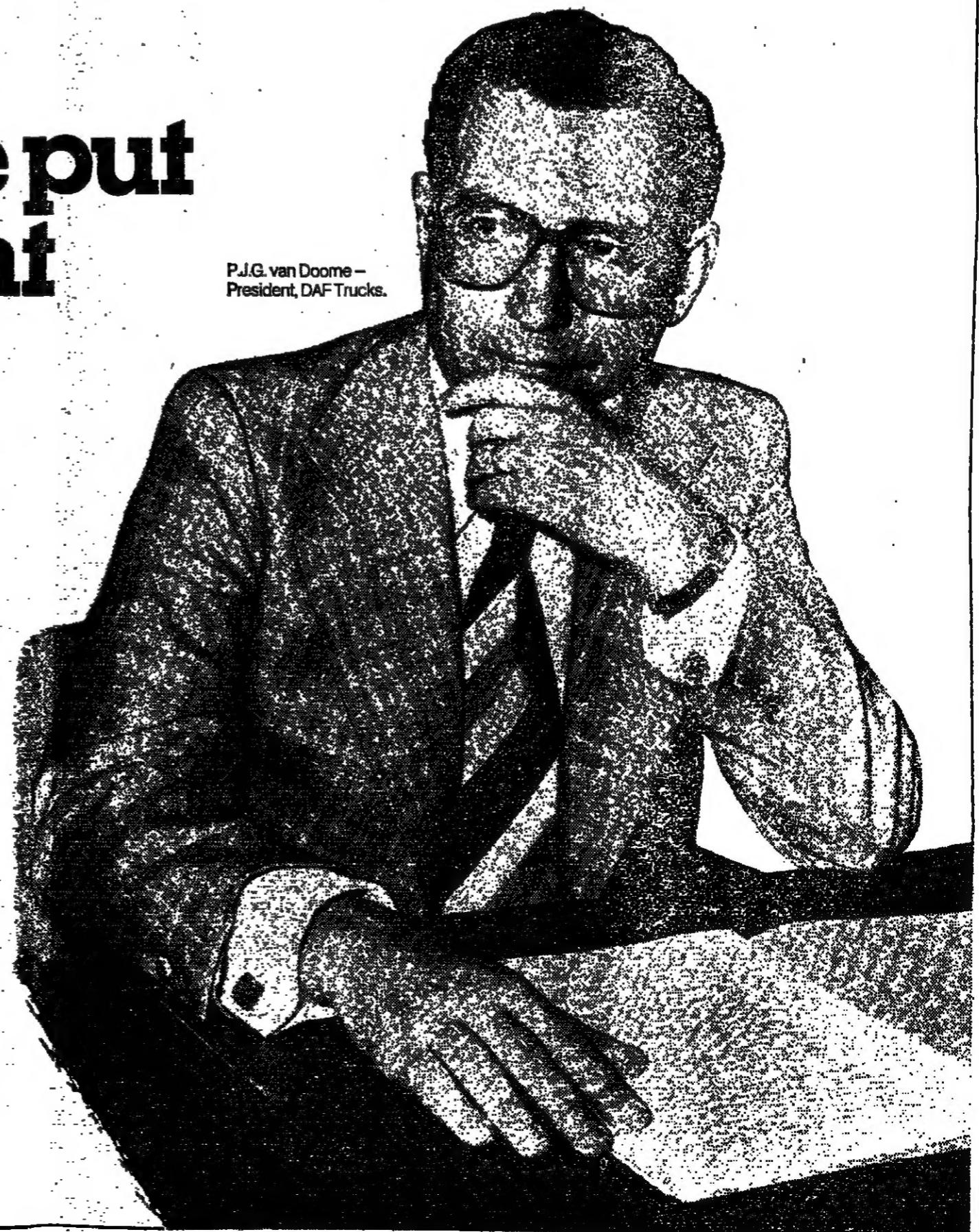
In Great Britain, a record number of trucks were sold, pushing DAF Trucks firmly into the number two importer position in the heavy truck sector.

This is our Golden Jubilee year and we now look forward to the next 50 years.



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OVERSEAS NEWS

AMERICAN NEWS

Rhodesia racism statement expected

By Tony Hawkins

SALISBURY, August 7.

RHODESIA'S TRANSITIONAL GOVERNMENT is to make a major statement on the abolition of racial discrimination tomorrow.

This was announced today by Mr. Ian Smith, in the wake of a public warning from Bishop Abel Muzorewa on his return from Britain and America that the interim Government's failure to move on racism was costing it support and friends internationally.

Today, the two tiers of the interim administration—the four-man Executive Council and the twelve-member Ministerial committee—in joint session to consider the statement.

Observers here expect the statement to announce the repeal of the Land Tenure Act insofar as it applies to white residential areas.

At the moment blacks are prevented from owning property in white residential areas though they can do so in white farming areas.

It remains to be seen whether there will be any move to cope with discrimination on three crucial fronts—education, health and the military call-up.

The blacks are demanding the immediate repeal of racial laws in respect of schools and hospitals while the white members of the coalition have told the African politicians that they must prepare their supporters for a call-up that embraces all races and not just the whites, coloureds and Asians.

Observers here believe that it will not be possible to make anything more than a statement of intent on these three issues.

The schooling position is simple in that there is just no capacity to cope with the 200,000 plus black children thrown out of primary schools by guerrilla action.

There is some limited capacity in white schools but throwing open the existing schools to all races in white areas would merely create a chaotic situation without providing a significant increase in the number of school places. Accordingly, any programme in respect of both schools and hospitals would have to include a substantial increase in schooling and hospital fees to ration places and beds.

The position is equally difficult in regard to the military call-up. Black students and senior schoolchildren have demonstrated bitterly against the call-up claiming that they are unwilling to fight for the transitional government against "the boys in the bush."

In a separate development, combined operations headquarters today announced that six blacks had been injured—one of them seriously—when a hand grenade was thrown into a barracks in Salisbury's Glen Norah African township.

AUSTRALIAN ECONOMIC FORECAST

Warning of pending recession

MELBOURNE, August 7.

THERE ARE growing indications that current fiscal, monetary and wage policies are lacking in their effectiveness and long-term recession according to the Melbourne University Institute of Applied Economic and Social Research.

Touch fiscal policies are not significantly reducing the budget deficit, but by weakening the economy and so reducing the tax base, are increasing the size of the deficit required to give a real stimulus, the Institute said, in its second quarter 1978 economic review, which contains its semi-annual review of the Australian economy.

Partial wage indexation has done little to help unemployment but has created considerable pressure for "catch-up" claims and this pressure will increase if an economic upswing occurs, it said.

It also suggests that current account deficits of the order of A\$10 billion for at least the next two fiscal years. There was an A\$2.4 billion deficit in 1977-78.

Third Cambodian purge throws wider net

BY RICHARD NATIONS ON THE THAI-CAMBODIA BORDER

This is the third such drive in the areas against suspected subversives in as many years since Cambodia became Democratic Kampuchea under Khmer Rouge rule in April 1975. The first in 1975-76 was directed against intellectuals and senior officers and officials of the Lon Nol regime, and the second, last year, was designed to root out dissidents in the Khmer Rouge regional command, suspected of plotting against Phnom Penh.

Those two purges were restricted to relatively limited sectors of the population but this year's seems to cover much broader strata of Cambodia's rigidly regimented society.

It comes when the fighting on Cambodia's eastern border has escalated and there are signs that Phnom Penh has thinned out its defences along the Thai border since mid-June to replenish forces exhausted in the new round of clashes with Vietnam. Observers believe this is a contributory factor, making Phnom Penh particularly sensitive to any potential disaffection in its rear.

Kwang Pi, aged 38, a party member for eight years and president of a 900-family co-operative in the Thma Pock

district of northern Battambang, said he had been ordered by higher authorities early in the year to make a list "to identify suspect elements."

The list was to include all individuals—with their families—who had been regulars in the Lon Nol army, minor officials and teachers, village headmen, governors, 10 family units in areas under Lon Nol's control up to 1974, and anyone with education or training in Thailand or Vietnam. Special emphasis was to be placed on those with military backgrounds in transport, artillery or signals. Seven hundred of the families under his charge qualified, Kwang Pi said.

He said he formed a committee early in May to conduct a house-to-house census, relying upon every third family to cross-check the others. Fugitives from districts north of Thma Pock said a public meeting of the co-operative was called. They were told: "Citizens declare your back grounds honestly. Those who are truthful have nothing to fear. Those who attempt deceit will be punished." Others say the first

Kwang Pi and most other Khmer Rouge administrators in Thma Pock and surrounding districts, turned out to be on other lists of suspects while compiling their own. On June 26

Kwang Pi and his subordinates were arrested on July 5. The same day an announcement was made to the effect that of the 70,000 citizens in the district, 40,000 were traitors who had

collaborated with the CIA and concealed the names of former Lon Nol soldiers and agents of Thailand and Vietnam. Refugees from other co-operatives in the same district confirm this.

Kwang Pi said he managed to take advantage of a truce some days later to escape to Thailand on July 12 where the Thais have jailed him as protection from the revenge of many of his former wards who have also crossed the border.

Kwang Pi says that a cadre of "true Communists" was brought in to replace him and his subordinates in nine husband and wife teams. They would extend the Khmer Rouge's direct control over local administration down to 300-family subdivision of the co-operative.

Other refugees report that new co-operative rulers, brought in

from the province of Kompong Chhnang, just north of Phnom Penh. Some observers believe the Kampuchean Communist Party has been nurturing a new generation of party cadres

Stoppage threatens New York newspapers

By John Wyles

TOKYO, August 7.

MR. SUNAO SONODA, the statement of opposition to hegemony, they are reluctant to directed against a third country. (Or countries—the singular and plural in Oriental languages are the same.)

The Chinese side was reported

to be anxious to change the phrase

"anti-hegemony clause" but also

some kind of clause minimising

"any particular third country"

in the Japanese version to simply

"a third country."

Japan is vulnerable to Soviet

pressure because its fishing fleet

depends on catches within the

Russian 200-mile fishing zone,

and because the Soviet Union

bases a vast navy just north-west

of the Japanese islands. In an

action believed related to

the treaty in Peking, the

Russians indicated today that

they would withhold signing an

agreement on joint venture crab

fishing if it is not aimed at

any specific third country.

Since the Chinese certainly do

mean the Soviet Union in their

two countries' friendly relations

be impossible.

Poor performance of nuclear reactors to be investigated

BY DAVID FISHLOCK, SCIENCE EDITOR

TOKYO, August 7.

A NEW THREAT to the production of New York City's daily newspapers is being posed by the Pressmen's Union, whose leaders warn that they may call a strike from tomorrow night.

The pressmen's contract expired at the end of last March, as did those of eight other unions. During protracted negotiations the city's newspaper publishers' association warned that revised working rules would be imposed tomorrow unless agreement was reached on a new contract. Although negotiations are resuming this afternoon in the presence of a federal mediator, there are still hopes of avoiding a stoppage by the men who work the printing machines.

At a weekend meeting the pressmen employed by the New York Times, the Daily News and the New York Post authorised strike action and union leaders warned later that imposition of new work rules would result in an immediate stoppage.

All three newspapers are keen to reduce press room manning which, according to the New York Post today, is about twice as high as necessary. Many jobs have become superfluous since the introduction of new printing technology. The New York Times switched over to cold metal printing early in July. It now uses a plastic printing plate weighing three-quarters of a pound compared with the 35-40 pound lead plate traditionally used.

Both the Daily News and the New York Post have suspended hot metal production and both plan to switch to the lightweight plastic plate over the next few months. This will further reduce manning, requirements in the press room.

Negotiations with the pressmen have so dominated management time in the past few months that with the exception of the Daily News journalists, none of the contracts due for renegotiation this year have yet been signed. Even if a settlement with the pressmen is reached, the newspapers' desire to reach agreement on new production methods means that they face a tough road to peace.

IMF sets stringent terms for Guyana credit

BY OUR OWN CORRESPONDENT GEORGETOWN, August 7.

A ONE-YEAR \$4m stand-by credit would mean chopping off that arrangement with the Inter-American Monetary Fund, announced recently for Guyana, carries stringent but achievable targets, Mr. Forbes Burnham, the Prime Minister, has said.

The targets include: 5 per cent real growth in GDP over 1977, reducing the current account gap from 23 per cent of GNP last year to 10 per cent this year.

Increasing the public sector surplus from £15m to £26m, reducing commercial credit arrears from £20m to £15m, and increasing the central bank's gross foreign assets from £12m to £20m.

The stand-by credit is being provided with an additional \$2.5m from the IMF's compensatory financing facility.

Mr. Burnham said that although the amounts were not large, the stand-by arrangement would generate confidence internationally in the basic soundness of Guyana's economy and made it possible to raise additional funds to finance the development programme.

No doubt with the Jamaican experience in mind, Mr. Burnham said that his Government had no intention of allowing the country to endure the embarrassment and humiliation which would accompany failure to meet the targets.

Apart from the general targets, Guyana is expected to increase total exports by about 17 per cent, mainly from sugar, to a level of about £165m, and to hold imports at the 1977 level of £190m.

Mr. Burnham acknowledged that the imports ceiling was being relaxed. With the value of imports expected to rise 10 per cent, it on the Government.

Weather modification call

BY OUR SCIENCE EDITOR

THE U.S. Government should managing local weather is very give meteorologists a clear strong. Economic benefits of mandate to produce a "kit of useful tools" for modifying the weather, according to the chairman of its Weather Modification Advisory Board in Washington.

Mr. Harlan Cleveland, of the Aspen Institute for Humanistic Studies, writing in the current issue of *Science*, claims that a more vigorous and better focused research effort could produce regional increases of 10-30 per cent in mountain snowpack in the 1980s, and increases of 10-30 per cent in rainfall in such areas as the High Plains and the Midwest by the late 1980s.

By the 1990s it could be producing 10-20 per cent reductions in some hurricane winds—“with much greater reductions of wind damage”—and up to 50 per cent reduction for hail in 20 years.

These figures have been submitted to Congress in response to questions about the federal government's role in changing the weather.

According to the 17-member advisory Board, the case for

AMERICAN COMPANY NEWS

Getty and Arco deny over-pricing charges: Canadian corporate profits up in second quarter; Unfavourable publicity on

Unfaire tyres hits Firestone's prospects—Page 18.

The Institute said it believes current policies are leading to a situation in which recovery can only occur at the price of a resurgence in inflation.

Turning to its forecasts for the fiscal year 1978-79, the Institute said they are based on the assumption of unchanged tax rates and a small decline in real government outlays in the budget. The budget, consistent with a \$85.6bn deficit, in 1978-79 was a \$84.3bn deficit.

The Institute forecast a 7.4 per cent rise in the consumer price index in 1978-79 against a 7.9 per cent rise in 1977-78 and 13.4 per cent in 1976-77.

Turning to external factors, the Institute forecast subdued economic growth in the rest of the world, with a shift in the composition of domestic demand to import intensive categories such as equipment, high oil imports and services.

It is intended to present a petition to the President and Parliament. Similar petitions will be presented to the authorities in state capitals and district headquarters.

Kwang Pi and most other Khmer Rouge soldiers moved into the Thma Pock district centre, arrested the five-man planning committee, and began to plan out to the 15 co-operatives under the district's jurisdiction.

Kwang Pi said he managed to take advantage of a truce some days later to escape to Thailand on July 12 where the Thais have jailed him as protection from the revenge of many of his former wards who have also crossed the border.

Kwang Pi says that a cadre of "true Communists" was brought in to replace him and his subordinates in nine husband and wife teams. They would extend the Khmer Rouge's direct control over local administration down to 300-family subdivision of the co-operative.

Other refugees report that new co-operative rulers, brought in

from the province of Kompong Chhnang, just north of Phnom Penh. Some observers believe the Kampuchean Communist Party has been nurturing a new generation of party cadres

in schools located around Phnom Penh.

The new refugees reports encounters with Khmer Rouge patrols within a few miles of the Thai frontier.

Two Khmer Rouge regulars who defected recently from the 300-man battalion patrolling that stretch of the border said that about a third of their unit, "the fittest and those with revolutionary fighting experience," had been transferred to the Vietnamese front since fighting there escalated in mid-June.

There are other signs that Cambodia's defence force of 8,000 along the Thai border has been depleted over the past two months, mainly by running down rather than transferring main units. That offers little relief for those fleeing to Thailand, since the frequency of patrols has probably been increased to offset the diminishing numbers.

More than 350 Cambodian refugees have gathered over the past fortnight at Ta Phraya district police station in Thailand, about a day's walk due west of Phnom Penh. Some observers believe the Kampuchean Communist Party has been nurturing a new generation of party cadres

ECUADOR

Inching back to democracy

By Sarita Kendall in Quito

AS THE Ecuadorean Electoral Tribunal continues the official count of votes in the first round of the presidential election held last month, confusion, irregularities and accusations of fraud threaten the election and delay a return to civilian rule.

No cases of fraud have been proven, but the failure of some provincial authorities to follow the procedure ordered by the tribunal has led to a standstill. The votes from the whole of Cotopaxi province and several other areas have been cancelled, causing consternation and claims of deliberate sabotage.

But the military Government has repeated assurances that the result will be respected, and the tribunal has promised to hold new elections in areas of cancellation, if these affect the outcome.

The lead of the winner, Sr. Jaime Roldos, is not likely to be changed by the recount but the main Right-wing candidate, Sr. Sixto Duran Ballón, has an advantage of only 18,000 over

Liberal, Sr. Roldos' second place after the official count of 50 per cent of the vote. Sr. Duran and Sr. Huerta are both claiming second place, and the consequent right to run against Sr. Roldos to the second round, which will have to be postponed to the end of the year unless counting speeds up considerably.

By giving Sr. Roldos of the Popular Forces a clear majority in the first round, Ecuadoreans have supported a man who emphasised throughout his campaign the need for social change. But Sr. Roldos, who is expected to take the presidency if the second round is fairly fought, would inherit an economy which would allow him limited resources for meeting this challenge.

Conservative groups have already reacted to Sr. Roldos' victory with a campaign to paint him as an extremist, while the Marxist Left accuses him of total reformism. Unfairly referred to only as a populist, he is in fact an intellectual with a highly coherent speaking style but little administrative experience. During a recent news conference, the 38-year-old law professor denounced the Right's manoeuvres to try to create the climate for another military coup d'état by fostering rumours designed to produce economic chaos.

Sr. Roldos, who took over the Popular Forces candidate when Sr. Assad-Bucaram was burned by the military Government through the device of invoking his Lebanese origins, is often accused of being a puppet for the old populist leader from the port city of Guayaquil. But the persona of the younger man has taken on a new force since his electoral triumph and his insistence that Roldos' election carries conviction. Popular forces supporters agree that Sr. Bucaram would be most unlikely to get an important post in a Roldos government, but will continue as party chief. Any hint of intentions to the contrary would considerably reduce the chances of Sr. Roldos taking over from the military.

Despite the attacks of conservative business sectors, Sr. Roldos has always held that the private sector must have security—but that investors must earn their security by paying taxes and obeying Ecuadorian laws.

A tax reform would raise direct taxes on higher income groups, control tax evasion and introduce a wealth tax, to provide sufficient income so as to make unnecessary the recent practice of borrowing abroad to finance the budget. Political reforms would place special importance on increasing opportunities for participation in Government and political structures, to reflect the spirit of the new constitution which is to come into effect when the civilian president takes power.

The Christian Democrat, Sr. Osvaldo Hurtado, the 39-year-old lawyer and social scientist sharing the Roldos' ticket, says his first priority as vice-president will be to set up the development council and produce a national plan. Agrarian reform, educational reform and administrative decentralisation would be crucial elements in the plan.

The Ecuadorian foreign debt, excluding most military commitments, is likely to exceed

WORLD TRADE NEWS

U.S. to launch major export promotion in Japan

BY ROBERT WOOD

JAPAN IN facing a Hobson's choice between encouraging pro-business ratio in resolving American sentiment abroad and can importers' complaints allowing foreign goods into the American officials want to market, has genuinely chosen to improve the ratio to prove to encourage entry of foreign U.S. business that Japan is serious in improving access for goods, Mr. Frank Well, the U.S. Assistant Secretary of Commerce for foreign goods, he said.

With advertising pamphlets she has created the domestic and seminars, the U.S. is political will to dismantle non-tariff barriers and aid foreign businessmen, he said.

The U.S. is planning the largest export promotion mission to Japan in its history this October. One hundred and twenty business men, led by Mr. Mark Shepard, president of Texas Instruments, and planners for the mission have encountered no difficulties in our history, Mr. Well said.

However, he stopped short of predicting any quick end to the U.S.'s massive trade deficit with Japan. He hoped for some decline by the end of the year, but this depended on the extent to which businessmen passed on the price changes which the higher yen had produced. Mr. Well said he accepted that it will take a number of years before U.S./Japan trade begins to reach equilibrium.

Mr. Well was in Japan to meet Japanese officials and the Trade Facilitation Committee, a group of Japanese and American business men and officials formed to reduce import barriers. He said Mr. Well, although he would not

TOKYO, August 7.

release details of the scheme, he said the U.S. must raise its priority on exports (one sympathetic Congressman claims

"Exports rank 39th on the U.S. priority list"); make it more attractive for small companies to export, remove government-imposed disincentives on exporters (the Commerce Department has identified 15 specific disincentives created by the U.S. Government); provide better information for business; and take a long-term view ("Americans are a people who tend to need instant gratification or success").

U.S. imports of colour television sets from Japan have declined significantly since the two countries concluded an orderly marketing agreement last summer, but imports from Taiwan, Korea and Canada have increased.

The U.S. Commerce Department says the number of sets from Japan dropped 41 per cent in the first quarter from 356,324 in the third quarter of last year. At the same time Taiwan increased its shipment to the U.S. by 41 per cent, the number of sets from Korea jumped 120 per cent and imports from Canada were up 118 per cent. Combined shipments from these three countries, however, are still one-third less than those shipped from Japan, so overall U.S. imports for the period were down 2 per cent.

Saudi crude oil deal for Sudan

BY ALAN DARBY

KHARTOUM, August 7.

SAUDI ARABIA is to provide Sudan with a year's supply of crude oil financed by a soft loan.

Sudan spends about \$175m a year on oil supplies from Iraq, the previous supplier. Because of Sudan's shortage of foreign currency payments to Iraq have recently been delayed, resulting in Iraq cutting off supplies. In addition to Sudan's immediate industrial sector in the country, there are small scale operations and handicrafts, with the aim of creating new employment.

In terms of the long-awaited

India's long expected textile policy aims to create more jobs

BY K. K. SHARMA

NEW DELHI, August 7.

MR. GEORGE FERNANDES, the Minister for Industry, has of the poorer sections of the abres would at all times be announced a new integrated population.

Powerloom capacity is also not further expansion of the Indian textile industry — the largest legislation is to be passed to give industrial sector in the country — the statutory force. Existing woollens at reasonable prices, unauthorised powerlooms will be regularised and registered "on payment of a deterrent penalty."

To protect the interests of cotton growers, the policy says use of synthetic fibres would at all times be without detriment to the interests of the cotton growers.

To ensure availability of woollens, with the aim of creating new employment.

In terms of the long-awaited

policy, no further weaving capacity is to be allowed in cotton mills except that resulting from modernisation.

The public sector National Textile Corporation, which operates 103 nationalised cotton mills, has a key role. It will produce a major share of the 400m sq m of "controlled cloth" (meant for poorer sections of the population) which is the maximum limit for the mill sector.

After earmarking the share of production of "controlled cloth" for the Corporation, contracts for quantity will be given to private sector mills on the basis of competitive bids and they will be required to sell it at a price not exceeding the cost at which the Corporation manufactures it.

The part two weeks have seen the worst petrol and aviation fuel crisis in the history of the oil market. The 80 km port Sudan-Khartoum pipeline, built a year ago with a 17m Kuwaiti dinar loan, is operating at about 60 per cent capacity because of a problem in one of the pumps.

The cause of the fuel shortage was a combination of lack of crude, a shut down at the refinery, technical problems with the pipeline and finally

assaults on the railway line in the Red Sea hills.

TAIPEI, August 7.

CITING AN ever-expanding Taiwan's large shipments of

deficit in its textile trade, the sweater.

Besides Taiwan, Mr. Smith said Japan, South Korea and Hong Kong were notified in recent

days that they must tighten their export controls. Despite

export quotas, he said, textile

shipments to the U.S. increased

to be installed in a new generating plant to be completed in 18 months in the Point Liza industrial area. This equipment

will be built in St. Cloud, Minnesota, by a unit of Brown Boveri corporation.

Agencies

Bonn China trade boost

WEST GERMANY'S trade with China and East Europe rose steeply in the first half of this year, according to provisional trade figures published by the Economics Ministry today. Imports from these countries amounted to DM 5.8bn (\$2.9bn) or 4.8 per cent of West Germany's total imports. West German exports worth DM 8.7bn (\$4.35bn), or 6.2 per cent of its total exports to the Communist countries. The report said West German exports to China increased by 14.2 per cent to DM 1.65bn. Reuter

Plessey Brazil contract

BY SUE BRANFORD

SAO PAULO, August 7.

WITHIN A few days, Plessey in the second faced Brazil will announce the winning of an unexpected contract with the government's telecommunications company, the Sao Paulo state telephone company, to supply 23,000-30,000 crossbar telephone lines for several towns in the state. Bidding was known to have been stiff because of problems of idle capacity experienced at present by all manufacturers of this type of equipment.

This is the largest contract in present life outside the telephone telecommunications sector. Work that Plessey has won so far, for a computer time. Over the past few years it controlled system of traffic has won several much smaller contracts for 400 crossings in the orders, including one from the city of Sao Paulo. City Rio Grande do Sul, announced in June of this year, came for the telephone exchange, the biggest order of its kind in the third-petroleum sales in the world. The cables link in Porto Alegre. In July of this year, it won an order for 7,800 lines, without the disruption lines for the town of Tatu in roadworks and will allow Colombia. Sr. Paulo Mariano do Nascimento, managing director, calculated that the system will be in operation by the end of the year.

A few years ago, Plessey should be in operation by the end of the year. Brazil, along with other com of 1981.

Alitalia Airbus options

FINANCIAL TIMES REPORTER

ALITALIA HAS negotiated with Airbus Industrie, competition an option for the purchase of four A300/B4 aircraft, which could join its fleet in the 1980s.

A spokesman for the Italian State airline said that the agreement was within the framework of a decision that the company would have to take at the end of this year when a new long-term plan regarding the up-dating of its fleet would be submitted to the Italian authorities.

The agreement will allow Alitalia to operate the four aircraft starting in 1980 provided that the decision planned by the end of the year.

DUTCH maintain low fares

BY CHARLES BACHELOR

AMSTERDAM, August 7.

HOLLAND WILL continue its experiment with low-fare flights for a month. Amsterdam and Boston airports longer than originally planned.

This will allow airlines to offer from the U.S. airline, PanAm, cheap tickets on their complete summer schedules instead of the way things have gone up to now, and a decision will only be taken after the end of the trial period.

The low-fare experiment will now run until October 15 instead of September 15, the Transport Ministry said.

The Ministry has not yet decided whether it will allow a repeat of the cheaper fares next year. The experiment has not



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PT/45/78

Pipe plant for Saudi Arabia

Steel complex for Venezuela

SUMITOMO Metal Industries says it has established a joint venture company, The National Pipe Company, in Saudi Arabia to make large-calibre steel pipes for oil and gas pipelines use from 1981, reports Reuter from Osaka.

Capitalised at \$10m, Riyah, the company is 51 per cent owned by Saudi Arabian interests including the Alrayah Group of companies and 49 per cent by Sumitomo.

The new company will build a 1.14 bn 30,000 tonne a year steel piping plant in Dammam on Saudi Arabia's east coast. Half the cost will be financed by Saudi Arabia's Industrial Development Fund. Sumitomo said Reuter

The coal will come from mines in India and the iron will be brought from both South America.

HOME NEWS

'Slight hope' for tin mine

FINANCIAL TIMES REPORTER

A REPORT on a survey carried out at the Wheal Jane tin mine in Cornwall, closed by Consolidated Goldfields in May, is likely to hold out only a slight hope that it could be reopened.

The survey was ordered by Cornwall Tin and Mining, which owns the Mount Wellington mine, just across a valley from Wheal Jane, and some eight miles from Truro. Mount Wellington closed two weeks before work stopped at Wheal Jane.

Cornwall Tin and Mining is the only company now left in discussions with the Industry Department about the possible rescue of Wheal Jane.

The survey report is due in Whitehall on August 10. The manager at Mount Wellington, Mr. Mike Davies, said the eventual decision on whether there would be a reopening of Wheal Jane would be "very marginal."

He said: "If the survey shows that it could be profitable, it is likely to show that it would be just profitable and no more. It's as much of a knife-edge situation as that."

There is a firm belief among the MFs and union officials that the Government is prepared to put up at least £1m and possibly more if the survey report indicates any hope of viability for Wheal Jane.

The result of the survey is being scrutinised by the Industry Department by mining experts from Rio Tinto Zinc. A final joint decision by the Carrick subsidiary, Treadax, and the Industry Department on whether more money should be poured into Wheal Jane—which in Consolidated Goldfields says it lost £8m—is likely about the third week of September.

Coal Board worried by cost of plan

By John Lloyd

THE COST of the National Coal Board's Plan for Coal, which aims to increase production to 170m tonnes by the end of the century, is rapidly increasing.

The annual expenditure required to achieve this target has risen from an estimated 240m in 1976 to an estimated 255m in March 1978.

Much of the rise—more than 37 per cent in money terms—can be accounted for by inflation. However, there is still a real rise, discounting inflation, of about 12 per cent.

This rising real cost of production is worrying the Coal Board, which is determined to keep costs low to compete with oil. At present, coal and oil burned in power stations are roughly equal in price, and the Central Electricity Generating Board has increased its purchases of oil because of this.

The cost of the coal plan, which forecasts production of 135m tonnes by 1985, was originally estimated at £1.4bn in March 1974. Prices, at present, prices, the figure stands at £4.3bn.

Mr. Anthony Wedgwood Benn, Energy Secretary, has asked the Coal Board and British Steel to draw up proposals for marketing coal to the corporation's new blast-furnace at Redcar, on Teesside.

Retail sales highest since early 1975

BY DAVID FREUD

RETAIL SALES are rising steadily, if still short of the boom levels of 1973 and 1974.

The Department of Trade said yesterday that the final index of the volume of retail sales in June was 108.4 (1971=100, seasonally adjusted). This was close to the provisional estimate of 108.4 and above the May figure of 108.3.

The index is now higher than at any time since the beginning of 1975. In the first half of the year sales were 2.7 per cent above those for the previous six months and 4.3 per cent above those in the same period last year.

The expansion is supported by a continuing rise in sales on hire purchase. In the past three months new instalment credit advanced by finance houses and retailers was 11 per cent up on the previous three months when seasonal factors are taken into account.

In the first six months of the year new credit was 13.5 per cent above the level of the previous six months and 29.2 per cent above the same period in 1977.

Spending on durables showed the strongest recovery, underlining the return of consumer confidence and the marked increase in disposable incomes.

In the second quarter sales of durables were 4 per cent higher than in the first three months. However, this gain was exaggerated because of the erratic low March figure.

On the basis of a comparison to smooth out the irregularities, sales in the first six months of the year were 4.7 per cent higher than in the previous six months and 8.5 per cent higher than in the same period of 1977.

HIRE PURCHASE CREDIT AND RETAIL SALES (Seasonally adjusted)

	New credit extended by Finance Houses £m	Retailers £m	Retail volume (revised)		Durable goods shops Total (1978-100)
			Total debt outstanding (unadjusted) £m	Number of retail outlets	
1976	1st	340	493	2,349	105.9 117
	2nd	382	490	2,424	106.9 122
	3rd	392	521	2,516	107.3 125
	4th	421	547	2,716	105.9 124
1977	1st	457	550	2,792	103.3 116
	2nd	486	561	2,930	102.5 118
	3rd	544	605	3,108	104.3 121
	4th	585	604	3,341	104.4 121
					Source: Department of Trade
1978	1st	626	634	3,507	106.3 125
	2nd	716	677	3,797	108.0 129
	January	213	216	3,738	104.9 129
	February	201	217	3,429	106.8 130
	March	212	201	3,507	107.0 117
	April	231	232	3,594	106.7 132
	May	243	228	3,689	108.4 126
	June	242	217	3,797	108.6 130

Source: Department of Trade

On the same basis there was in the past six months of 1977, some recovery in food shops, and the first half of 1978 was 1.0 per cent above the levels prevailing then. Sales were 6.8 per cent higher than in the first half of 1977.

New instalment credit advanced by finance houses in June was £543m, compared with £224m in May. In April-June advances were 14 per cent higher than the previous three months.

Clothing and footwear sales have been steady through the first six months of the year; some improvement is expected for July because of the effect of the summer sales.

There was some further improvement on the pick-up in sales.

Small Business Bureau seeks better deal for taxpayers

BY DAVID FREUD

THE TORY-BACKED Small Business Bureau launched a Taxpayers Charter yesterday to promote better understanding between the Inland Revenue and the taxpayer.

The bureau says that recent claims of harassment and victimisation indicate a breakdown in the relationship between the tax authorities and the individual.

Mr. David Mitchell, Conservative MP for Basingstoke, and chairman of the bureau, said that the principles of the nine-point charter were in line with official Tory policy.

The specific proposals of the charter, which is written in mock-archaic language, are:

• The taxpayer should have a right of appeal against unreasonable demands and incursions upon civil liberties made upon him by the Inland Revenue review by a suitably qualified

independent body such as a Standing Committee of the House of Commons.

• The special commissioners should be seen to act as an independent professional arbiter of tax law, free from either side and their findings shall be published.

• The Inland Revenue should make public their interpretation manuals so that all may know what is their view of the law.

• Her Majesty's Officials of Customs and Excise, in like manner to Her Majesty's Inspectors and Collectors of Taxes, should not enter upon the taxpayer's home without a warrant, and the taxpayer should be entitled to inform his legal adviser and to have a police witness upon request.

• The principle of reciprocity should be deemed to apply in UK tax law. Changes in the official Revenue interpretation of the tax laws, Press releases and policy statements should be subject to the same rules whether due to or by

the taxpayer.

Ryder evidence challenged

THE JURY might think that questioning the people listed in the list of Lord Ryder, former chairman of the National Enterprise Board, told them he had found no corruption at British Leyland when Lord Ryder, former chairman of the National Enterprise Board, told them he had found no corruption at British Leyland when he was not telling the truth, defence counsel stated at the trial of Graham Barton, 34, a former British Leyland financial executive, and his wife, Fatima, at the Old Bailey yesterday.

Mr. William Howard, QC, in his closing speech, said that no one from British Leyland, except Mr. Barton, was not charged with having investigated the "slush fund" allegation had given evidence of

there is evidence to support that.

Mr. Barton and his wife, of Lincroft Gardens, Hounslow, Middlesex, have denied between them a total of five charges.

They relate to the alleged forging of copies of two letters to British Leyland, one purporting to be from Lord Ryder and the other from the Bank of England, and using the forgeries dishonestly to obtain £15,000 from the Daily Mail.

Mrs. Barton is not charged in relation to the Bank of England letter.

THE BOS process employs a water-cooled lance to blow oxygen on to the molten iron and scrap mixture from above: because of its size, the vertical lance requires a very tall building to house it.

In at least one respect, the Q-BOP process is impressively in advance of the workers in the advance of the open hearth system. Cycle time—the time taken to transform molten iron and scrap into molten steel—is reduced as much as eight hours to around 40 minutes.

Thus all that is required to replace six or seven blast furnaces is a comparatively small, 30- or 35-tonne capacity vessel. "It could be put at one end of the shop and virtually disappear," says Mr. Aylen.

The other advantages of taking the Q-BOP route which Mr. Aylen sees are:

• The existing machinery in Bilton would be adequate for the new process.

• The process requires a constant flow of molten iron, and whereas the blast furnace, which would have to be closed under the electric arc option, would remain open.

The effect on employment may be more drastic. The electric arc option estimates that almost half of the present 2,498 strong workforce would be laid off, where Q-BOP could probably work on even less.

Output would be lower than the present level of around 400,000 tonnes a year—some where between 300,000 and other yet."

This last argument is clearly the one which the Bilton men for a corporation which is attempting of cut capacity.

A second major argument concerns marketing. In a report drawn up to support the proposal for the electric arc furnace, the joint management working party notes that "the possibility of transferring Bilton's order load to other works without reducing the corporation's market share is remote."

The report lists a series of closures and transfers of plants where either imports or steel produced by the private sector steel producers, have substantially taken over previous BSC markets.

The high grade carbon billets, which are Bilton's speciality, could not, it is argued, be supplied to the West Midlands' manufacturers in sufficient quantities by other BSC works. The independent steelmakers and the importers would be forced to benefit.

It is very evident that any transfer of this business to other works would lead to opposition from customers with loss of tonnage, market share and good will. Since Press publicity has cast doubt on Bilton's future, many customers have expressed their concern."

Will British Steel accept the validity of these arguments? Management, at Bilton plant level, at the Sheffield divisional level at BSC headquarters, is reluctant to say.

There is a debate going on about it both on the process itself and on its applicability to Bilton," said a corporation executive delectately. "We can't commit ourselves one way or the other yet."

THE introduction of the innovation facility would provide for a process which Q-BOP could probably work on even less.

Output would be lower than the present level of around 400,000 tonnes a year—some where between 300,000 and other yet."

"Q-BOP is essentially an oxygen-blown process, where a jet of oxygen is blown into a cast, it is argued.

THE MARKET for hiring household equipment is still in its infancy, according to a market research report published yesterday.

Only one in ten people surveyed by the market research organisation, Mintel, had hired household equipment, such as scaffolding, gardening tools, carpet cleaners, and tableware in the past year. At present, there are about 500 hire outlets with a combined turnover of £51m.

Th survey found that people in the 25 to 44 age group were more likely to hire equipment. The trend was also strongest among managerial and professional people, as well as those more common in the south of England.

The survey found that people in the U.S. where there are about 8,000 rental outlets.

Mintel sees a potential UK market of around 1,000 outlets with a turnover of £56m a year at 1978 prices. It also says there are signs of increasing company use of hire shops and rental of other forms of equipment, such as specialist office equipment.

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Eisteddfod president calls for industry sponsors

By Robin Reeves

THE ROYAL National Eisteddfod of Wales would like to see substantial sponsorship from industry in the year ahead, Sir Alun Talfan Davies, the Eisteddfod president, said in Eisteddfod yesterday.

Speaking on the first day of Wales' national festival, Sir Alun pointed out that the cost of mounting this year's Eisteddfod would be over £5m—double the cost of four years ago.

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Sir Alun thought, in particular, that there was room for a big improvement in cash prizes given to the winners.

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Caledonian seeks to cut domestic off-peak fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN AIRWAYS, which is losing up to £2m a year on its domestic trunk routes between Gatwick and Scotland, is planning a new fares package that will increase peak-hour fares but substantially reduce the cost of off-peak travel.

Proposals by the airline to the Civil Aviation Authority involve raising by £2 to £3 single fare in peak hours on the routes between Gatwick and Glasgow and Edinburgh. The rise includes the £1 airport security charge which the Government now requires all airlines to pay.

To counter the rise, the airline is proposing fare cuts of up to 40 per cent for off-peak travel in the morning and early afternoon with a single off-peak fare of £2.21 between Gatwick and London and Glasgow is £1.60.

Among other innovations sought for domestic trunk routes is a "pace for all" offer over the following buildings: from November 1 to February 14 inclusive of a £1 fare for a child aged 12 or under travelling with an adult.

The airline is doubling the free baggage allowance on domestic routes, to allow every traveller to carry two pieces of baggage instead of the one now allowed.

Passengers traveling with normal hand-baggage only—mainly businessmen who account for up to 80 per cent of traffic on the domestic trunk routes—will be able to check-in and select their seats for both



Mr. ALASTAIR PUGH

their outward and return flights at the same time, avoiding delay on the return journeys. British Caledonian is the first airline in Europe to introduce this facility.

Giving details of the fares plans yesterday, it said that the new cheap single fare will apply on two routes each way on the Gatwick-Glasgow

route on Tuesdays, Wednesdays and Thursdays; on one flight each way on the Edinburgh route on the same days; and to all flights to both Edinburgh and Glasgow on Saturdays and Sundays.

This means that up to 40 per cent of the seats offered by the airline on its domestic trunk routes will qualify for the new cheap rates, with 60 per cent covered by the dearer peak rate.

The aim is to shift into the quieter off-peak periods those passengers who do not have to travel at peak hours, and thus make more room for business travellers who take more round-trip flights on the same day.

At the same time, the airline hopes to reduce the losses it is incurring on domestic routes.

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If the new fare is approved by the aviation authority, it will introduce it on November 1 and offer it throughout the winter. If it proves popular we may extend it into the summer," he said.

In addition to the cheap fares on the Scotland routes, British Caledonian is planning a £1.5 single winter week-end fare on the route to Manchester. No increase in the normal Manchester fare is proposed, and no changes are planned in the fares to Birmingham or the Channel Isles (Jersey).

Stockbroker expects interest rates to fall for rest of year

BY PETER RIDDLE, ECONOMICS CORRESPONDENT

INTEREST RATES should fall and this should assist in getting the necessary funds for financing the rest of the financial market are majoring in the analysis of the prospects of both the gilt-edged and equity markets.

City stockbrokers James Capel and Co. argue in a review of profits and the outlook for 1979, published today, that "there still appears to be ample institutional upward pressure on interest rates available for the equity market, both for purchase of new or the rate of return on cash defined money supply, including cash and bank current and seven-day deposit account, is projected to grow by 10 per cent in the second half of this year."

Institutional purchases of equities will be lower than last normally be expected to fall in the middle of the official target year, but the supply side should be restrained by the fact that we anticipate that the corporate expansion will be just within the capital issues, the review says.

brought forward a few months earlier than the economy peaks out at the end of third quarter of this year."

This analysis is in the context of projections of a public sector borrowing requirement of £8bn in 1978-79, compared with a Government ceiling of £8.5bn.

Shering M3, the broadly defined money supply, including cash and bank current and seven-day deposit account, is projected to grow by 10 per cent in the second half of this year.

Interest rates should

normally be expected to fall in the middle of the official target range, while domestic credit expansion will be just within the

House prices going up more slowly

By John Brennan,
Property Correspondent

AFTER A spring price boom the pace of house price increases has now slowed, according to the latest quarterly bulletin of the Building Societies Association.

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LEGAL NOTICES

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court in
the Matter of: COLAS TRANSPORT LIMITED
and the MATTER OF THE COMPANIES ACT, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company will be heard before the Court on the 28th day of July 1978, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE, 20 St. Swithin's Lane, London EC3R 7SE, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London EC1V 2EJ, on the 28th day of October 1978, and any creditor or contributor of any of the said Companies desirous to support or oppose the making of an Order on the said Petition, may appear at the time of hearing in person or by his Counsel for that purpose, and a copy of the Petition will be furnished to the said creditor or contributor by the undersigned to any creditor or contributors of any of the said Companies requiring such copy on payment of the regulated charge for the same.

KING F. GLOAR,
King's Beam House,
78-81 Mark Lane,
London EC3R THE.

Solicitor for the Petitioners.

NOTICE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be served at least four o'clock in the afternoon of the 18th day of October 1978, and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of October 1978.

No. 002364 of 1978

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No. 002365 of 1978

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court in
the Matter of: TSANGARAS & ZOULOMIS LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 2nd day of August 1978 presented to the said Court by ALVINI COMPANY LIMITED whose registered office is at 33-34 Chancery Lane, London WC2, and that the said Petition is directed to be heard before the Royal Courts of Justice, Strand, London WC2A 2LL, on the 16th day of October 1978, and any creditor or contributor of any of the said Company may appear to support or oppose the making of an Order on the said Petition which may appear at the time of hearing, in person or by his Counsel for that purpose, and a copy of the Petition will be furnished to any creditor or contributor of the said Company requiring such copy on payment of the regulated charge for the same.

SILVERMANS,
3 Stratford Place,
Mark Lane, London
EC3R THE.

Solicitor for the Petitioners.

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No. 002366 of 1978

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court in
the Matter of: CATERQUEST LIMITED
and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 2nd day of August 1978 presented to the said Court by HER MAJESTY'S ATTORNEY-GENERAL whose address is in the Treasury Building, Strand, London WC2A 2LL, and that the said Petition is directed to be heard before the Royal Courts of Justice, Strand, London WC2A 2LL, on the 16th day of October 1978, and any creditor or contributor of the said Company requiring such copy on payment of the regulated charge for the same.

TREASURY SOLICITOR,
3 Central Buildings,
Mark Lane, London
EC3R THE.

Solicitor for the Petitioners.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be served at least four o'clock in the afternoon of the 18th day of October 1978, and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of October 1978.

No. 002367 of 1978

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court in
the Matter of: NORTH WEST SHIPPING
COMPANY LIMITED and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 2nd day of August 1978 presented to the said Court by HER MAJESTY'S ATTORNEY-GENERAL whose address is in the Treasury Building, Strand, London WC2A 2LL, and that the said Petition is directed to be heard before the Royal Courts of Justice, Strand, London WC2A 2LL, on the 16th day of October 1978, and any creditor or contributor of the said Company requiring such copy on payment of the regulated charge for the same.

TREASURY SOLICITOR,
3 Central Buildings,
Mark Lane, London
EC3R THE.

Solicitor for the Petitioners.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be served at least four o'clock in the afternoon of the 18th day of October 1978, and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of October 1978.

APPOINTMENTS

ASTLEY & PEARCE LIMITED

STERLING DEALER

Have a vacancy for an experienced Sterling Dealer, age 20-25. Salary negotiable.

Usual fringe benefits.

Applications in confidence to
The Managing Director,
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COMPANY ACCOUNTANT

A leading firm of West End Retail Jewellers requires a qualified Accountant with post-qualification, preferably commercial experience.

The person appointed will report to the Managing Director and will take responsibility for preparation of periodical and annual Accounts, day-to-day control of financial and personnel matters, and will be appointed Company Secretary. The post requires a good personality and carries excellent prospects. Age 25-35, salary £8,000 plus non-contributory Pension Scheme, etc.

Please apply in writing with full career details to H. London, Savers, Butlersworth, 62 Brook Street, London W1Y 2DE.

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Experienced personal assistant required for the Senior Partner of a leading London firm. Must be fully competent to handle computerised client portfolios and talk to and deal for private and institutional clients. Two or three years stockbroking experience are essential. Candidates will probably be aged 25-30 male or female.

Write giving details of experience and salary expected to: Box A.6385. Financial Times, 10, Cannon Street, EC4P 4BY.

STOCKBROKERS

Interesting opportunity. Additional young Assistant required by Partner in Private Clients Department of large firm. Candidate would be up to Stock Exchange exam level and capable of looking after clients' portfolios without constant supervision.

Write Box A6433, Financial Times
10 Cannon Street, EC4P 4BY

APPOINTMENTS

WANTED

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LABOUR NEWS

Industrial civil servants seek flexible pay

BY PHILIP BASSETT, LABOUR STAFF

TRADE UNION negotiators for 183,000 industrial civil servants yesterday requested a meeting over pay with senior Cabinet Ministers after the Civil Service Department had put forward its third offer under the Government's Stage Three guidelines.

Union leaders on the industrial civil servants Joint Co-ordinating Committee are hoping for flexibility in application of the 10 per cent limit and for some sort of forward commitment on pay

Mr. Peter Adam, chairman of the trade union side said after yesterday's meeting that they believe the 10 per cent limit was in fact being applied more rigidly to the Government's blue-collar workers.

His side would be seeking a meeting with Mr. Denis Healey, Chancellor, and Mr. Albert Booth, Employment Secretary, to try to persuade them to be more flexible within the guidelines. No date for the meeting has yet been set.

Shop stewards representing 6,000 industrial civil servants in London will meet today to discuss industrial action to achieve the national pay claim. Yesterday's talks were lobbied by hundreds of Government workers after shop stewards called a half-day strike.

About 300 drivers employed by the Metropolitan Police held a 24-hour strike yesterday in support of the claim. The Civil Service union which represents drivers said that there would be an official 24-hour stoppage today of all other Metropolitan Police

industrial staff, including workers who service police vehicles, which would cause "serious disruption to police work in the capital."

Mr. George Wright, general secretary of the Welsh TUC said it was felt that the new measures, introduced after REP was abolished, were not effective enough in reducing unemployment or in attracting new investment from abroad.

He added: "We have been talking about some form of sliding scale, or of topping up, with increased grants for firms in assisted areas who take on more workers than their normal quota."

Mr. Wright also felt there should be forward advances of

10 per cent.

The two bodies, which are to meet later this week, are particularly unhappy about the sub-

sidates for the regional employment premium—a pay subsidy

for firms in development areas, which was abolished at the beginning of last year.

The meeting will also discuss

of money it is paid out to

assembly being set up in Cardiff

and to consider the provisions

in the light of the Government's

White Paper on pay. Winning the

Battle Against Inflation.

The claim calls for rises of 47

per cent in basic pay to

£1.80. Fitters make up about

20 per cent of all the workers

23,460 workers, from £1.50 to

£4.69. Advanced, fitters

£1.53, chargehands £1.51, foremen in a commitment to backlog

£1.57.

Fitters' 47% pay claim challenges Stage Four

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT faces its first challenge to its Stage Four 5 per cent wages guidelines from 18,000 heating, ventilating and engineers, who have submitted a claim for increases in basic rates of pay amounting to 47 per cent for the lowest grades.

The claim tabled by the sheet metal workers' union is now being studied by the employers in the light of the Government's White Paper on pay. Winning the

Battle Against Inflation.

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23,460 workers, from £1.50 to

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£1.53, chargehands £1.51, foremen in a commitment to backlog

£1.57.

Union officials say that many skilled workers have been forced out of the industry by its rates of pay, and feel that to pay £1.80 for the fitter grade is the only way the drift can be halted.

The heating and ventilating engineers are an important early test of how far the Government's

White Paper on pay. Winning the

Battle Against Inflation.

The 18,000 engineers who are

represented by the National

Union of Sheet Metal Workers,

are directly governed by a

national agreement with the

Heating and Ventilating Con-

tractors Association. Up to

12,000 other heating engineers, in

Management

EDITED BY CHRISTOPHER LORENZ

How a
manager
is trained

ON AVERAGE, a manager spends five days a year being trained. The greatest priority will be on human skills and general management, according to a study just published on management development.

The study covered 20 large UK companies, the smallest of which employs 3,000. It found that the attention paid to management development varies quite widely. For instance, the lowest amount of time spent on training and education of managers away from his place of work was 18 days, compared with the highest of 184 days.

The authors also note that those companies which spend least time on training their managers rated their own management development as "above average."

The top priorities in management education were management and general management. This, concludes the report, can be attributed to a more participative approach to management, the need to cope with increasing problems in industrial relations, and a growing need to understand and respond to the aspirations of individuals.

It also notes that the high priority which is given to general management shows the growing awareness that specialists, however competent, need to learn more about general management as they begin to manage larger and larger units.

Planning was accorded a particularly low measure of priority for training by the companies surveyed. This, the authors find surprising, as "planning is a keystone of modern management practice."

Industrial training boards do not win many plaudits for their efforts in management training. Of the 13 companies who came within the scope of a board, only one reported that its board provided a significant degree of assistance.

The study also discovered that the closer to the boardroom management development policy is formulated, the better it performs.

Management Development — What to look for by Harbridge House Europe, Queens House, 180 Tottenham Court Road, London W1P 9LG, price 21s. This is a refereed area, with a

Nicholas Leslie explains why venture capitalists tend to minimise risks by backing established companies rather than 'start-ups'

A marriage of convenience for two French venture capitalists

MAJOR FRENCH SOURCES OF 'RISK FINANCE'

SOCIETES DE DEVELOPPEMENT REGIONAL: Fifteen of these cover different regions of France. First established in the mid-1950s, they tended to make term loans rather than equity investments in risk capital.

Following a 1976 initiative by the French Government they can now obtain a 25 per cent State grant for equity investments in established companies and 50 per cent grants for investments in new enterprises.

Original capital subscribed mainly by banks and chambers of commerce.

INSTITUT DE DEVELOPPEMENT INDUSTRIEL: A State-owned organisation established to stimulate innovation and the creation of new enterprises.

Initially it adhered closely to this brief

but over the past five years or so has involved itself in investing in industrial sectors and re-structuring branches of industry.

Venture capital activity is now almost entirely handled by Sopromec-IDI,

the new company jointly owned with

Sopromec, part of Caisse Centrale de

Credit Hotelier, Commerciale et

Industriel, the State-owned

financing institution. Venture capitalism represents only a small part of its activities.

SOFINNOVA S.A.: Has a large number

of institutional shareholders, including banks such as Banque Nationale de Paris and Credit Lyonnais, and industrial companies like L'Oréal, and Thomson-Brandt. Makes investments of between some Frs 450,000 (£25,000) and Frs 1.8m (£220,000), and is mainly interested in investments that involve innovation.

SOGINNOVA S.A.: Set up in 1974, its main shareholder is Societe Generale, with a number of insurance companies also included as equity holders. As a societe financiere d'innovation—like, among others, Sofinova—its shareholders can amortise half the value of their equity holdings. Soginova works closely with Societe Generale and, though in venture capital, leans towards larger investments. Sometimes works in conjunction with Sofinova.

SOPROMEC-IDI: Came into being on

June 30 following a merger of interests

of Sopromec, part of Caisse Centrale de

Credit Hotelier, Commerciale et

Industriel, and IDI, the State-owned

financing institution. Venture capitalism

represents only a small part of its

activities.

The comparison with the

NEB is not entirely exact since

links did already exist between

Credit Hotelier and the State.

Though Credit Hotelier operates

in the private sector and is

backed partly by the Banques

Populaires (after the British

savings banks), it also receives

State funds and special subsidies to enable it to lend, at

low interest rates, funds that

raise in the money markets.

But it is nonetheless a valid

comparison and therefore represents, by British standards, an unusual step.

The problem with venture

capital in an industrialised,

rather than a peripheral, form is

that its "momentum" seems

extremely difficult to maintain.

In general, this becomes a new

problem for a partner, even

though it is subsidiary to a more

widely practised "development

capitalism," which involves

existing, though

probably still small, companies

already planned for Britain's

National Enterprise Board.

At the same time, it became

clear that certain competitive

systems, its formulae do not

rely on a single, powder, film

material, and that the company

itself can make a healthy

contribution to the industry.

At the same time, it became

clear that the cycle time has

been reduced from about 13 milli-

seconds in the 82k device to only

5.5 seconds in the new one, an improvement of a thousand

times in bubble memory technology.

Performance specifications at

100 kHz operation include an average access time of 7.3 milli-

seconds for the first bit of the 224-bit page and a typical power

consumption of 0.9 watt for continuous operation.

A data-merge function allows

a read data rate of 100 kilobits per second. Operating temperature is from 0 to 50°C with

a non-volatile storage range of minus 40 to plus 85°C.

Construction makes use of a

gadolinium-gallium garnet sub

strate upon which a magnetic

epitaxial film is grown. Patterns

of Permalloy are deposited on the shield to protect data from

the field of the rotating magnetic field. As Bedford (0234 67468).

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LOMBARD

Undressing in public

BY MICHAEL BLANDEN

STOCK MARKET analysts have almost given up trying to make any real sense of the results produced by the big banks. The latest round of half-year figures resulted in general bafflement over the varying treatment given by the individual clearing banks to their provisions for bad and doubtful debts.

Pressure is growing from all sorts of directions for the banks to come clean about the way in which they treat their figures and the amount which is tucked away before profits are published. The Price Commission earlier this year made strenuous efforts to get at the real profits and argued in its final report on bank charges that there should be wider disclosure.

The European Commission is also expected to move towards requiring banks within the Community to open their books to more detailed public examination. Eventually, this could mean not only that the clearing banks would have to show their bad debt provisions, but that institutions such as the UK merchant banks which still maintain hidden reserves will have to open up.

Working party

The London clearing banks have themselves set up a working party to investigate ways of achieving greater disclosure and changes in accounting policy needed to make the accounts of the big four banks more comparable with each other. The idea of disclosure is accepted by a growing number of senior bankers, and it is thought by some that there is a remote chance of agreement being reached in time for full figures to be shown at the end of this year.

The bankers have as much interest as anybody in achieving reasonable comparability between the accounts of different banks. The stock market needs to in order to assess the relative merits of the institutions as investments. The banks themselves need it in making their own decisions on lending to each other through the inter-bank markets. The various ratios of capital and free resources to deposits and lending which can be calculated from banking balance sheets are becoming of increasing importance in judging the credit-worthiness of the borrower.

There are a couple of ironies in this situation. One is that the clearing banks are supposed to have abandoned secrecy eight years ago, when under pressure they gave up the right to provide hidden reserves under the 1945 Companies Act. The results they produced in

Price colt looks right

THE PRESENCE of that much-awaited Findon colt, Boden's Ride, course winner, Bold, and the highly-rated Noblays in today's renewal of the Seaton Delaval could well see Gosforth Park's seven furlongs prize bidding the most informative

RACING

BY DOMINIC WIGAN

group three juvenile event of the season.

Although he did not score in the style of a "world beater" as many had anticipated when he was asked of him and a Ryan Price, his trainer, was more than happy.

The maestro of Findon, who has rated the Grey Dawn II colt a potential Derby winner since late spring, made it clear after the Foxhall Stakes that Boden's Ride will improve tremendously with experience and, particularly,

when asked to tackle trips where his stamina will count.

Although today's seven furlongs event is only a furlong longer than that Goodwood race in which he beat Spithurst Review, Gosforth Park is a considerably stiffer circuit than the Sussex course, and it could well be that this is the ideal race for the American bred colt to

win.

In taking him to further boost his claims to classic consideration I have healthy respect for Barry Hill's Lambourn challenger, Noblays who clearly failed to produce his best in the Black Duck Stakes at York recently where he did not enjoy the smoothest of passages.

A second likely winner for Price and stable jockey Brian Taylor, who has been benefited from a recent break from racing and looks weighted to win off 7 to 11 lb provided that she is back to somewhere near her peak.

That top-class sprinter, Persian Bold, one of the best looking horses in training, reappears at Newbury on Friday

in the Hungerford Stakes.

A recent string of zeros against her name hardly inspires confidence but I am prepared to take a chance with Madame Moss in the Redcar Handicap which precedes the Seaton Delaval. Bill Elsey's Levyns filly, a winner at Cagnes-sur-Mer (subsequently relegated to second place by the stewards) and Marseilles in the spring, will have benefited from a recent break from racing and looks weighted to win off 7 to 11 lb provided that she is back to somewhere near her peak.

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The Americans' growing pessimism

AMERICANS ARE in a more common sense combine in a sober mood today than perhaps powerful enough fashion to they have ever been. Those make one feel that the evidence Europeans who cannot shake off the habit of patronising their protectors might say that since the experience of Vietnam the U.S. has begun to grow up; some Americans themselves might use the following words to describe their state of mind:

"Outraged...Apprehensive. Resigned. Angry. Frustrated. Turned off. Cynical. Bitter." The list of adjectives has been taken directly from a report in the *Wall Street Journal* which set out the views of a number of opinion pollsters. Most of these are unsurprising: people are more concerned about inflation than anything else; faith in the ability of governments to solve problems has diminished; the feeling that the Soviet Union is becoming relatively stronger is gaining ground.

I have spent a great deal of time in the U.S. this year and would not quarrel with any of this. Every day conversation and an ordinary perception of what goes on around one supports all of it. The important question, however, is, "is this a craze?" A nation that lays down its tools in one generation, only to crush the course of inflation and growth as most economists say it is, then this, shall we say, is a strong indicator of the unprecedented degree of difficulty facing President Carter at the start of what may turn out to be a period of more rapid increases in prices than the Americans have yet learned to tolerate. Certainly everyday conversation in recent weeks indicates that the money-line is moving sharply upwards again now.

In fact, a similar graph

plotting the answer to a Louis Harris question about whether it is expected that prices will rise more rapidly in the future shows a series of ever higher peaks running from 1975 to 1978; no doubt the highest peak yet will be reached later this year. In spite of the continuing high rate of unemployment, the chart recording public concern about the issue shows a steady decline since 1974; worry about inflation shows a current rise since 1975.

This pessimism is matched in other areas. Since last August NBC News has been asking how likely Americans think it is that their country will become involved in a war during the next three years: the trend line is distinctly upwards, running from 35 per cent "likely" in August 1977 to 51 per cent in March 1978. Yet another poll, by Opinion Research Corporation of Princeton, suggests that since 1976 Americans have come to believe that the U.S. is militarily weaker than the Soviet Union; again 84 per cent of respondents said that Russia would not live up to a SALT agreement, while 71 per cent said that America would.

However, the collection of poll results published in *Public Opinion* takes us still further. It charts the Louis Harris question, "do you tend to feel that the rich get richer and the poor get poorer?", and finds that those answering "yes" have grown from 48 per cent in 1966 to around 77 per cent over the past three or four years. "What you think doesn't count anymore" is up from 37 per cent in 1966 to 61 per cent last year, which squares with other similar indicators of dissatisfaction with government.

The important thing about

such polls, however, is to know how to read them properly. Any politician can take all the above information, add to it the Gallup finding that people prefer "controlling inflation" to a "tax cut" by a ratio of 9 to 1 and draw the conclusion that a

policy of wage and price controls would be immensely popular.

Government by poll would,

in Britain, mean hanging and flogging. In America in the past it might have confirmed the retention of gun control and the abolition of pornography; curiously enough a CBS poll this year recorded a 61 per cent favourable response to the question whether the sale of handguns should be restricted and 56 per cent in favour of letting adults "buy and read whatever they wish."

I happen to like what Americans are now saying they prefer on the matter of handguns and reading what they please, but one can hardly argue in favour of such policies on the ground of what the polls say while at the same time opposing popular policies in Britain, such as hanging. Given the choice between government by pressing a "yes/no" key attached to 100m TV sets and government by elected representatives, the answer is plain.

Even so, the record of the more sober mood of the America of today, as shown by a great many opinion polls, is of great importance to both the Administration in Washington and the Western allies who rely upon the U.S. for support. To

me, it indicates that America

but then an adverse view of making his long and steady Elizabeth II in the "most

President Carter's ability to come back. In retrospect, he is admired women" category.

Britain as a rather woolly-headed musclemen, to be admired for its brute strength, but to be told by the eminently

more sensible people in White

hall just how to behave in the it may seem to be.

After all, President Truman

rank lower in the polls than Kennedy beat everyone, includ-

ing Golda Meir and Queen

Joe Rogaly

of the present Administration, President Carter is now before

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Letters to the Editor

Scope for the innovators

From the Managing Director, Clopp and Pollock Europe

Sir.—Britain has long been pre-occupied with the invention of products—bridges, reactors, aircraft, hovercraft, brain scanners, etc.—reports David Fishlock (July 24, *New Hope for the innovators*). But we have neglected innovative manufacturing technology, unlike the Japanese.

But manufacturing processes are not the only area of neglect. There are no consumer products. In David Fishlock's top five, all were developed for institutional ownership. In consumer goods such as motor cycles, TV sets, radios, cameras, power tools, washing machines, refrigerators, textiles, typewriters—our record of retreat in the face of foreign competition is appalling, unlike the Japanese.

This may be because some of us were brought up to understand and respect engineering rather than people and their everyday needs. Or perhaps the government's role in inventing inevitably looks like the epic rather than the personal.

Are we to continue to neglect consumer goods? It is to be hoped not. Part of the promise of microprocessors is the apparent opportunity for manufacturers to have a second chance, a new chance to start making the next generation of consumer products. But whether government research can help in this valuable engineering sector seems doubtful. There is no national prestige in backing the next bedside teamaker... the one that will turn on Radio Two, start running your bath and telephone for the weather forecast, while the kettle boils... whatever the export implications.

And in any case, we now have wrist watches more accurate than Big Ben. Calculators to check our groceries as fast as the check-out girl. Mobiles to compute our phone bills. Once we get the hang of personal computers I expect we'll be challenging the world's electricity bills. Through Prestel, and shared access to computer data banks of unsurpassed processing power, we'll be calculating our own bank charges, pension contributions, mortgage repayments and social security benefits.

Perhaps we'll get access to our medical records and start educating our children ourselves through the new computer electronics. And maybe we'll look more closely at civil service expenditure and the national debt.

Step by step, advancing consumer goods take power from the institutions. Will government research centres be able to assist? Or is this a contradiction in terms?

Richard Conley-Smith,
223, Acton Lane, W4

Transferring pensions

From Mr. R. Lancaster

Sir.—I feel that Mr. Hander (July 31) misrepresents your original article in asserting that experts do not like the concept of transferring a lump sum from one pension fund to another. Most experts approve the concept, and most companies make the offer to departing employees who qualify for benefit.

What needs to be clearly stated is that some companies

are in practice so rigorously

that historically, it offers, even in a period of high

inflation and salary erosion of

various kinds.

What needs to be clearly

stated is that some companies

are in practice so rigorously

that historically, it offers, even in a period of high

inflation and salary erosion of

various kinds.

One can appreciate that former

employees cannot be expected to

put themselves out uniquely, but

the withholding of all (or a large

amount) of an employer's contri-

bution ostensibly paid on the

employee's behalf reveals as

mockery the notion of pension

as deferred pay.

Roger Lancaster,
16, Norma Court,
Bishopsgate,
London EC2M 3AS

Saving energy

From Mr. B. Conter

Sir.—On July 20 a letter from

Mr. J. H. Miller of Monaco

suggested that most countries

would save energy by avoiding

wasteful consumption of fuel in

heating and cooling buildings.

While on one is likely to argue

with such an axiomatic statement

it cannot agree with Mr. Miller's

panacea of double glazing and

double thickness of insulation for

the sake of a few more in their task

that the monetary reward

is not worth the effort.

Geoffrey Brian Colledge.

Geoffrey Brian Colledge.

10, Norman Court,
Finsbury Square,
London EC2M 3AS

Measurement of advertising

From Professor H. Henry

Sir.—Dr. Dennis Oliver's diffi-

culty (August 2) in finding

answers to questions on adver-

tising—investment and manufac-

ture—requires a more detailed

examination of the problem.

It is not surprising that Dr.

Oliver's difficulty is that the

problem is not well defined.

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It is not surprising that Dr.

Oliver

COMPANY NEWS

Reduced underwriting losses help CU to £64.2m midway

A REDUCTION of £15.6m in underwriting losses and a rise of £7.7m in investment income were two major factors in the pre-tax profit of Commercial Union Assurance Company advancing from £38.2m to £64.2m in the first half of 1978. World-wide premium income in the period at £815.2m showed little change in sterling terms, but the underlying growth rate, allowing for changes in exchange rates was 4 per cent.

The overall underwriting losses for the period amounted to £4.3m against £19.9m last year. The U.S. operations cut the losses to £0.3m from £7.8m and the UK had a profit of £0.8m against a loss of £1.1m, while in Australia there was a deterioration with losses of £1.1m against a previous profit of £0.5m. The directors point out that underwriting results could not have been better given the operation of the extreme weather provisions, a form of internal catastrophe re-insurance. There had been a net transfer of £4.1m from the provision compared with a transfer to the provision of £1.9m in 1977, the main territories benefiting from this move this year being the UK, U.S. and Australia.

The company reports that underwriting experience in the U.S. generally had continued to be profitable, but the results had been adversely affected by the severe winter and subsequent wind and hail storms. This experience had been felt by the whole industry and had particularly affected the motor and property classes of business.

Losses for the industry as a whole arising from adverse weather conditions in the U.S. against U.S.\$105m in 1977 and 1978 looked like being the worst year for weather losses since 1973. The U.S. had experienced a statutory loss of \$13m; the rates available during the second quarter. After allowing for

paid out. The statutory operating ratio for the first six months of 1978 was 100.3 per cent against 104.3 per cent for the corresponding period last year. Adding back the extreme weather provision the operating ratio in the second quarter was 97.8 per cent compared with 97.0 per cent for the first quarter and 97.2 per cent for the whole year.

The group reports a satisfactory position on the UK account for the period. There has been a significant improvement in the liability account reflecting not only lower inflation rates but the cutback in exposure made in the past two years. The industrial fire accounts have improved as has the motor account. There has been no jump in the number of claims this year, in fact there has been a slight fall on the same volume of business.

Underwriting results in Australia deteriorated further due to severe competition and adverse weather conditions. Canada has continued to make a modest profit under the limitations imposed by the Anti-inflation Board and there has been a small loss of business in Quebec where motor third party bodily injury insurance has nearly been nationalised.

In the Netherlands the underwriting loss did not seem to improve much as increases approved for 1978 begin to have an effect, particularly on the motor account.

Marine and aviation business continues to suffer intense competition in the London market, but the 1978 underwriting year, when closed at the end of 1978, is expected to produce a profit.

The 12 per cent increase in investment income reflects the growth in funds available for investment, including those arising from improved underwriting results, and the higher interest rates available during the second quarter. After allowing for

Wagon Industrial jumps to £3.8m

WITH A RISE from £1,439,366 to £2,223,559 in second-half profit, Wagon Industrial Holdings ended the March 31, 1978 year at a record £2,783,552 pre-tax, compared with £2,676,889 last time. Turnover improved by 13m to £56.58m.

At midway, the directors said they believed the full-year result would reflect a "substantial improvement over 1976-77."

The result included interest received of £101,304 (£116,537) but was after interest paid of £109,906 (£106,709). The net £1,255,621 (£1,386,234) and after a £1,079 extraordinary credit loss time, attributable profit increased from £1,346,388 to £1,577,401.

Earnings per 25p share are shown to have risen from 17.2p to 19.2p per 25p share and the interim dividend is stepped up from 2.34p to 2.85p net at a cost of £11.8m (£1m). In addition an additional payment of 0.075p is declared in respect of 1977 to account for the change in ACT.

This brings last year's total to £1.722p from profits of £90.8m.

The group's business includes storage systems, wagon repairing, plastics, hydraulics, office furniture and road signs.

Comment

Wagon Industrial has resumed its growth trend after 1976-77's small setback with full year profits showing an increase of 41 per cent. About £0.5m came from the new acquisition Antlocks Lair, but the traditional services market has shown a growth of nearly a fifth in spite of a small loss situation (now overcome) at Leasbank. While the main division, Link 51, achieved across-the-board progress, Wagon managed to push ahead in two other important areas by switching away from its traditional British Rail markets. Oleo (more than a fifth of profits) turned its attention to the hydraulics business held in the German, American and Swedish railway systems and Wagon Repairs concentrated on the private fleets of oil tankers/ freight cars, etc. owned mainly by the oil companies, of which there are about 18,000 in the UK. Meanwhile, stock levels have jumped by a third to 23.9m (mainly steel bought at last year's lower prices) and this has inevitably increased interest charges. Nevertheless, on the basis of current trading, profits of around £4.5m should be possible this year. The shares closed 7p higher at a 1978 peak of 140p, giving a p/e of 7.2 while the yield is 3.6 per cent.

As reported for the first half have been restated to reflect the company's change in the latter part of 1977 in the accounting policy for deferred tax.

Overseas operations have been converted at exchange rates prevailing at the close of the first accounting period.

New life assurance business (world-wide) now sums (£1,084m (£916.7m); new life and annuity premiums 130.3m (£25.7m); new annuities per cent.

Shareholders' funds at the end of the first half stood at £11m, compared with £9.1m at the corresponding date and £5.6m at the end of 1977.

See Lex

Johnson-Richards holding UK margins despite competition

ALTHOUGH HE declines to make a forecast, Mr. Alec Done, the chairman of J. R. Richards and Richardson Tires, feels that the year should be one of steady progress.

As a result of laying down additional biscuit-baking capacity in the UK, and extending design and development facilities, both at home and overseas, the directors hope to achieve a modest increase in group sales volume in the 1978-79 year.

In the UK, where the bulk of profits are earned, demand is running at a slightly lower level. Done says, and although competition remains intense, margins are being maintained.

The group expects to spend some £2.7m on capital equipment, primarily on the completion of new product development centres, the commissioning of additional short-baking capacity, the increase of flexibility in terms of product lines, and the installation of process and ancillary plant.

Externally, the group has a number of projects for expansion by acquisition under consideration, both in the UK and overseas, the activities of which fall within the group's current experience.

As reported on July 19 the group achieved record pre-tax profits for the March 31, 1978

year of £5.3m against £3.75m on sales of £83.37m compared with £48.37m. Earnings per 25p share are shown as 15p (10.1p) and the dividend is lifted to 1.785p (£1.604575p).

UK factors were responsible for two-thirds of external sales and three-quarters of pre-tax profits, the chairman says, the improved profit performance being partly due to a modest increase in sales mix allied to careful attention to cost control.

In the context of the Huddersfield bid, directors disclosed that the U.S. operation was expected to lose about £0.5m during the year; the chairman says that the actual figure was slightly better than this. And, although this subsidiary did not move out of the red by the end of 1977, the trend is improving and in the first quarter of the current year, sales are 40 per cent up on last year.

Mr. Done explains that in sterling terms, Australia showed a modest improvement despite difficult economic conditions and intense import competition. However, both Canada and South Africa suffered from the depressed terms of trade in those countries and their profits fell.

Of the associated companies, India achieved a modest improvement, he says, but Greece was unable to sustain the growth it had shown in earlier years.

The new Malaysian factory, in which the group has a 15 per cent interest, made a profit in its first six months of operations.

Mr. Done expects that in sterling terms, Australia showed a modest improvement despite difficult economic conditions and intense import competition. However, both Canada and South Africa suffered from the depressed terms of trade in those countries and their profits fell.

As reported on July 14, pre-tax profits advanced from £253,443 to £709,331 for the March 31, 1978 year, after exceptional and non-recurring costs this time of £108,572. Turnover more than doubled to £15.75m (£12.27m) and profit reduced to £551,907, after adjustments of £178,414, for depreciation, £42,306 for cost of sales, offset by £74,276 gearing.

Maximum dividend

Wire and control cables 33% of group sales



Copies of the Report & Accounts can be obtained from the Secretary, Acree Street, Huddersfield.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

CHADDESLEY INVESTMENTS LIMITED

(Incorporated in England in 1960 under the Companies Acts 1948 to 1976—No. 667067)

SHARE CAPITAL

Authorised £2,000,000 { Ordinary Shares of 25p £926,480 Ordinary Shares of 10p £342,000

The 3,705,920 issued Ordinary Shares of 25p of Chaddesley Investments Limited have been admitted to the Official List. Particulars of the Company have been circulated by Exetl Statistical Services Limited and may be obtained during usual business hours up to and including 22nd August, 1978 from:-

Rowe & Pitman, Hurst-Brown, 1st Floor, City-Gate House, 39/45 Finsbury Square, London EC2A 1JA



Mr. J. O. Hambro, chairman of Hambros . . . satisfied that provisions made against Norwegian shipping loans are realistic.

Financial Times Tuesday August 8 1978

Hambros loan talks near conclusion

AN EARLY and "acceptable" conclusion to the talks between Hambros and the Norwegian Guarantee Institute for Shipping, was predicted yesterday by Mr. Jocelyn Hambro, chairman of the banking group.

Speaking at the annual meeting he told shareholders that the talks, which had been going on for some months, had been interrupted by the Norwegian holiday period, but were now continuing and "we expect that they will fairly shortly be concluded."

Mr. Hambro explained that the talks related to regular reviews by the Guarantee Institute of the guarantees it gives against loans borrowed by shipowners. He said that the Institute "has always applied solvency and viability tests to the owners admitted to the scheme."

Mr. Hambro stressed that the provisions against the bank's Norwegian shipping loans, described in the accounts, did not amount to outright write-offs. The position was unlike 1976 "when we agreed to a write-off of an after-tax total of £4.5m as part of our agreement with the Institute and the relevant owners."

The size of these provisions has been determined in reference to the estimated current values of the ships which are the major part of our security for these loans. We are satisfied that the provisions we have made are realistic."

As soon as the talks with the Guarantee Institute are completed, a joint statement will be issued.

Howard Shuttering downturn

AFTER FALLING from £204,311 to £140,122 in the first half, Howard Shuttering (Holdings) had turned the April 30, 1978 year with taxable profits down from £242,915 to

At the interim stage the directors said that earnings in the second half should be similar to

Decision on Sena's future this week

THE FUTURE of the financially-troubled Sena Sugar Estates, which manufacturers and sells sugar grown on plantations in Mozambique, could be settled this week at meetings of the company's creditors and of the Board itself.

A delegation from the Banco de Mocambique, Mozambique's central bank and the company's main creditor, met officials from the Export Credit Guarantee Department in London yesterday. Further meetings were arranged today with other creditors, which include the U.S. Export-Import Bank, the First National Bank of Chicago and Antony Gibbs and Sons.

The Board, which meets on Thursday, has been considering liquidation for some time. Share dealings were suspended on the Stock Exchange last month.

Mr. Digby Burnell, the chairman, says in his annual statement that the current year is fully expected to be more rewarding in this respect.

As reported on August 1, pre-tax profit slumped from £106,307 to £25,339 caused by a fall in sales of 25.6 per cent.

However, the directors are confident that the demand for the company's products will be restored over the next few years.

From turnover of £2.96m (£4.06m), export sales amounted to £2.1m split as to—Europe £380,000 Middle East £510,000, Africa £322,000 and other parts of the world £590,000.

A statement of source and application of funds shows that working capital decreased by £1.2m, funds from trade £0.5m, and £0.5m from shareholders.

At July 7, 1978, W. and J. Glossop held 10.85 per cent of the equity.

Mr. Done says that in sterling terms, Australia showed a modest improvement despite difficult economic conditions and intense import competition. However, both Canada and South Africa suffered from the depressed terms of trade in those countries and their profits fell.

Of the associated companies, India achieved a modest improvement, he says, but Greece was unable to sustain the growth it had shown in earlier years.

The new Malaysian factory, in which the group has a 15 per cent interest, made a profit in its first six months of operations.

Mr. Done expects that in sterling terms, Australia showed a modest improvement despite difficult economic conditions and intense import competition. However, both Canada and South Africa suffered from the depressed terms of trade in those countries and their profits fell.

As reported on July 14, pre-tax profits advanced from £253,443 to £709,331 for the March 31, 1978 year, after exceptional and non-recurring costs this time of £108,572. Turnover more than doubled to £15.75m (£12.27m) and profit reduced to £551,907, after adjustments of £178,414, for depreciation, £42,306 for cost of sales, offset by £74,276 gearing.

Capital Gearing recovers in second half

A second-half profit of £4,334 against £12,727 lifted Capital Gearing Trust from a halving loss to finish the full April 5, 1978 year with taxable profits of £3,982 compared with £2,333.

At the interim stage, the directors said that earnings in the second half should be similar to

Peak £26.3m for Ruston & Hornsby

ON turnover little changed at £13,992 against £23.61m, pre-tax profits of £2,334 against £2,152,024 for the year to March 31, 1978, on turnover ahead 17 per cent to £44.85m.

Earnings per 20p share rose from 8.41p to 13.18p and the net dividend to 1.35p, up 35.9 per cent.

Longer-term prospects for sales are also encouraging, Mr. Brown adds.

As reported on July 17, pre-tax profits expanded from £891,536 to £1,150,024 for the year to March 31, 1978, on turnover ahead 17 per cent to £44.85m.

Earnings per 20p share rose from 8.41p to 13.18p and the net dividend to 1.35p, up 35.9 per cent.

At the interim stage, the directors said that earnings in the second half should be similar to

Howard Shuttering downturn

AFTER FALLING from £204,311 to £140,122 in the first half, Howard Shuttering (Holdings) had turned the April 30, 1978 year with taxable profits down from £242,915 to

At the interim stage the directors said that earnings in the second half should be similar to

THE CURRENT year is going reasonably well for G. H. Dowling and Company, Mr. Douglas Hartley, the chairman, tells members in the firm's annual meeting.

Trade is still little sign of a general improvement in building activity, he says, and the slump in steel production continues. However, there is a seasonal increase in demand for group factories, bricks and directors anticipate at least holding their share of the market. And they are reasonably confident of selling the清淡 works in the next financial year.

Trades continue to be in demand both at home and abroad, the chairman states, and there are signs of some improvement in demand for refractory products from both plants.

In Holland the market for bricks is still very good, he says, and while stocks are virtually sold, Dowling continues to sell bricks from other UK manufacturers to held-out demand.

As reported on July 3, turnover for the March 31, 1978 year rose from £10.5m to £12.7m but pre-tax profits were down from £1.89m to £1.73m with a second half fall from £1.04m to £0.82m.

The dividend is stepped up to 11.145p (£0.37

Commercial Union Assurance Company Limited

The Board announces estimated and unaudited profits for the 6 months to 30th June 1978 of £42.6m (1977 £25.8m) after providing for taxation.

	6 months to 30th June 1978	1977
Estimate	Estimate	Actual
£m	£m	£m
PREMIUM INCOME	615.2	612.6
Investment income	71.4	53.7
Life profits	7.3	6.2
Underwriting result (table below)	(4.3)	(19.8)
Loan interest	(10.2)	(11.8)
PROFIT BEFORE TAX	64.2	38.2
Taxation and minorities	(24.0)	(12.4)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	40.2	25.8
EARNINGS PER SHARE	9.72p	7.72p
SHAREHOLDERS' FUNDS	£61m	£481m
UNDERWRITING RESULT	£m	£m
United Kingdom	6	(1.7)
United States	(3.2)	(7.8)
Australia	(1.1)	5
Canada	3	9
Netherlands	(6.0)	(6.8)
Remainder	2.2	(4.3)
	(4.3)	(19.8)
		(28.8)

Notes: (a) The results for the six months to 30th June 1977 have been restated to reflect the change during the latter part of 1977 in the Company's accounting policy for deferred taxation.

(b) The results of the Company's overseas operations have, as usual, been converted at rates of exchange, approved by the Board, of the periods reported above.

World-wide premium income in sterling terms, after allowing for changes in rates of exchange, shows a growth of 4%.

Underwriting results generally have been affected by a net transfer of £4.1m (1977 £1.8m) from the extreme weather provision due to heavy weather losses during the first six months of 1978, particularly in the United Kingdom, United States and Australia.

In the United Kingdom there has been a return to underwriting profit with improved experience in most classes of business.

In the United States underwriting experience generally has continued to be profitable, but the first 6 months results on the U.S. statutory basis have been adversely affected by unusually high winter losses arising from the severe winter and subsequent wind and hail storms. These losses, experienced by the whole industry, have particularly affected the motor and property classes. The statutory operating ratio for the first 6 months of 1978 was 100.5% (104.3%) and the deterioration from the 3 month ratio of 99.2% is largely accounted for by the increase in weather losses.

Underwriting results in Australia have deteriorated further due to severe competition and adverse weather conditions. Canada has continued to make a modest profit under the limitations imposed by the Anti-Inflation Board and there has been a small loss of business in Quebec where motor third party liability insurance has been nationalised.

In the Netherlands the underwriting loss shows some improvement as rate increases approved in 1978 begin to have an effect, particularly on the motor account.

Marine and aviation business continues to suffer intense competition in the London market, but the 1978 underwriting year, when closed at the end of 1978, is expected to produce a profit.

The 12% increase in investment income reflects the growth in funds available for investment, including those arising from improved underwriting results, and the higher interest rates available during the 2nd Quarter. After allowing for changes in rates of exchange, the acquisition of Estates House Investment Trust Limited and the proceeds of the Rights Issue in 1977, the underlying increase in investment income was 10%.

Dividend:
The Directors have decided to increase the interim dividend to 2.865p (2.85p) per share with the tax credit of 1.410p (1.321p) per share available to certain shareholders, totals 4.275p (3.885p) per share, an increase of 10%. The dividend will be paid on 17th November next to ordinary shareholders on the register of members on 19th October and will cost £1.5m (£9.0m).

Following the retrospective reduction in the rate of Advance Corporation Tax the Directors have also decided to pay an additional dividend in respect of 1977 to restore the 1977 final dividend, with tax credit, to that assumed at the time of declaration. This will be 0.077p per share which, with the tax credit of 0.038p per share, will amount to 0.115p per share. The cost is £0.5m and payment will be made with the interim dividend to all shareholders on the register at 15th October.

The total payment to shareholders on the register at 19th October is, accordingly, 2.940p per share with which the tax credit of 1.443p per share, amounts to 4.383p per share at a total cost of £2.1m.

New Life:
New life assurance business (world-wide) was as follows:

	6 months to 30th June 1977	1978
£m	£m	£m
New sums assured	1,084.1	916.7
New life and annuity premiums	30.5	25.7
New annuities per annum	26.4	20.5
	1,080.6	932.0

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MINING NEWS

Gold tonic for Canada's Giant

BY KENNETH MARSTON, MINING EDITOR

THE IMPACT of higher gold prices on the non-South African producers of the metal is demonstrated in an 80 per cent increase in half-year earnings of Canada's leading gold miner, Giant Yellowknife, which is a member of the Falconbridge group.

Net profits of Giant Yellowknife for the first half of this year have advanced to C\$1.6m (£10.6m), or 41 cents per share compared with C\$1.3m, or 23 cents per share, in the period of 1977. The average bullion price received in the latest period was C\$147.9 per ounce compared with C\$145.5 a year ago. The current price is C\$232.

Spending on diamond drilling, both surface and underground, has been substantially increased in an effort to disclose further ore reserves at the property which is at Yellowknife in the Northwest Territories.

Some encouragement is reported in the drilling but the company comments that "it is too early to determine just how significant some of the drill intersections are in terms of additional reserves."

Also doing well is the silver-producing United Keno Hill, another member of the Falconbridge group. First half net profit of United Keno Hill has advanced to C\$1.6m from C\$744,000 a year ago, thanks to above-average mill grades at the Husky and Keno mines, coupled with higher silver prices.

Finally, Canfield Mines which produces gold in the Malartic area

of north-western Quebec, reports a profit for the first half of 1978 of C\$2.4m compared with C\$1.5m a year ago.

The company expects a further increase in second-half earnings, anticipating higher bullion prices, a contribution from La Luz coal operations and some improvement in natural gas revenues. During the past half-year La Luz incurred a loss as a result of the U.S. coal strike, but is now operating profitably.

New flurry of gem hopes Down-Under

THE Rio Tinto-Zinc group's 72.5 per cent-owned CRA has created a new focus of interest in the Western Australian diamond search by its application for 12 temporary reserves inland from Cáraville, reports Don Lipscombe from Perth.

Until now, CRA through the Ashton joint venture which it operates has been working in the Kimberley area. Although both areas are in tropical Western Australia, the Kimberley and Gascoyne regions are 1,000 miles apart.

By applying for temporary reserves, it is pin-pointing its only diamond as yet targeted CRA has made a sizeable commitment. It must spend on each block a minimum of A\$40,000 a year. Thus CRA is betting A\$1.25m (£767,000) a year on this new area, centred on Kennedy Range and Wimina Ponds.

Although the applications have not yet been gazetted, their appearance on a public plan this week has caused a new flurry of excitement within an industry that already has overtones of boom as a result of CRA's Kimberley efforts. As geological devise theories about CRA's exploration rationale, similar areas will certainly be pegged in the present plan.

Already there are three main groupings of small companies active: Carr Boyd Minerals and Hill Minerals, Alkane, and Crusader; Western Queen with Lennard Oil and Magnet Metals; North West Mining with Hsoma, recently joint ventured with Selection Trust; and Otter with Spargos and Bamboo Creek. The Otter group has also been working with Samantha Mines, an unlisted company that has been active for seven years. A new prospecting lease before the Geoscience Affairs Committee in Victoria with the intention of seeking this the first newly-listed company since the popping of the Poseidon bubble, when companies were listed at a three-week rate.

Samantha has interests in oil exploration and base metals, but in mining and stakes in both the Goldfields and Kimberley areas. The company will manage if the first diamond stock. It is proposed that the 20 cent shares will be offered at a considerable premium.

In another familiar symptom of the mining boom, the Perth-based Swan Tyre Corporation has joined the Kimberley diamond hunt. The company was floated in 1969 as

the following are extracts from the annual statement to shareholders made by the Chairman, Sir Richard Cave.

The Year's Trading

In the U.K. we have continued to trade positively to retain and where possible increase market shares and to launch new products. In addition, much attention has been given to capital investment in our factories to improve efficiency and to contain costs of manufacture. As a result, each of our product groups has achieved increased trading profits in the U.K. in the past year and the progress in lighting is deserving of special mention.

Eurobond Issue

We have for the first time entered the international currency market by an issue of U.S. \$25,000,000 Convertible Guaranteed Bonds through our newly formed Netherlands subsidiary, Thorn International Finance B.V. The funds will be lent to the parent company and used to re-finance part of our non-sterling borrowings and to provide additional working capital for our foreign subsidiaries.

Dividends

To assist the marketing of the Eurobond issue we have received permission from HM Treasury for a 72% increase in dividend. The Board believes that this increase is justified by the stability of profits over the years and the strength of the reserves of the Company, as the dividend remains covered more than 3.5 times by profit, before extraordinary items.

Management and Employees

Not only as a matter of duty but also because it is most richly deserved

Summary of Results for	1977/78	1976/77
External Turnover	£1,091.9m	£992.9m
Profits before tax	£110.3m	£101.9m
Ordinary Dividends per 25p share	11.45p	6.652p
Earnings per share	40.0p	36.1p



Thorn Electrical Industries is a worldwide company with four distinct product groups, television rental and consumer electronics, domestic appliances, lighting, and engineering. It uses many distinguished trade marks including Kenwood, Mazda, Bendix, Ferguson, Ultra, Baird, Tricity, Parkinson Cowan, Benham's, Avo, Goodmans, Main, Moffat, Clarkson, DER. The Company operates over 100 factories and employs over 83,000 people around the globe.

THORN ELECTRICAL INDUSTRIES LIMITED, THORN HOUSE, UPPER SAINT MARTIN'S LANE, LONDON WC1H 9ED

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

M. MOLE & SON LIMITED

All documents for registration and correspondence should in future be sent to:

National Westminster Bank Limited
Registrar's Department
PO Box No. 82
National Westminster Court
37 Broad Street
Bristol BS99 7NH

Telephone Bristol (STD Code 0272)
Register enquiries 290711
Other matters 297144

DIVIDENDS ANNOUNCED

	Current payment	Corporation	Total	Total
		div.	of spending	last year
Braemore Casting	14	—	2.2	1.98
Clifford and Steel	0.32	Oct. 2	0.54	0.57
Commercial Union Int.	2.58	Nov 17	2.58	—
Hambros Trust	1.37	Sept. 20	1.12	1.62
Howard Shuttering	0.58	Oct. 10	0.78	1.55
Wagon Industrial	4.68	—	4.38	7.68

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issues. † On capital increased by rights and/or options issues. ‡ Supplementary payment for 1977 in respect of change in ACT.

BUSINESS AND INVESTMENT OPPORTUNITIES

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Gresham Trust Ltd, Barrington House, Gresham Street, London EC2V 7HE
Tel: 01-606 6474

Birmingham Office: Edmund House, Newhall Street, Birmingham, B3 3EW
Tel: 021-226 1277

BUSINESSES FOR SALE

Plastics Trade Moulding Company For Sale

Engineering company situated in the North East wishes to dispose of its plastic trade moulding interests. The assets for sale will include a freehold multi-storey factory of approximately 60,000 square feet, situated on a three acre site. Present turnover £900,000 per annum. Sale as going concern to include freehold factory, machinery and stock for £300,000.

For further details please write to J.H. Owen.

Thomson McLean & Co
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Mr. Cooper or Mr. Houghton
01-242 9451.

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10, Cannon Street, EC4P 4BY.

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Advertiser with available funds well in excess of £1 million SEEKS ENTRY INTO LEASING & HIRE PURCHASE BUSINESS Interested parties with majority holding in a leasing company or with the necessary Management Expertise should write in confidence to:

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INVESTMENT OF

£25,000 - £50,000

required to finance duplicate Tooling and Marketing of Passaged Motor Assembly, being exported worldwide, with a minimum sales potential £10,000,000. Small quantity scale considered pre rate to above investment. Possible position for Marketing Director, etc. All offers in complete confidence.

Write Box G 2382, Financial Times, 10 Cannon Street, EC4P 4BY for further details

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STRONG INTERNATIONAL COMPANY

seeks acquisitions of Mechanical Engineering companies in the U.K. Preferably companies serving the pump or valve or associated portion of the Oil, Chemical and Process Industries, but also willing to consider aircraft type equipment and/or marine. Write Box G 2395, Financial Times, 10, Cannon Street, EC4P 4BY.

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Turnover £60,000, profits £25,000 plus, all debts paid, well and sole proprietor of being on his own will sell outright or expand and develop the company as required. All offers confidential. Correspondence London based. Write Box G 2376, Financial Times, 10, Cannon Street, EC4P 4BY

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2 Theatre Close, Oldbury, West Midlands

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U.S. \$10,000,000 Guaranteed Floating

Rate Notes 1985

Note is given pursuant to Condition 4(a) of the Terms and

Conditions of the above-mentioned Notes that the Rate of

Interest (as therein defined) for the Interest Period (as

herein defined) from 9th August, 1978 to 9th February, 1979

is at the annual rate of 9½ per cent. The U.S. Dollar amount

to which the holders of Coupon No. 1 will be entitled on duly

presenting the same for payment on 9th February, 1979 will

be U.S. \$10,000,000 subject to such amendments thereto (or

appropriate alternative arrangements by way of adjustment)

which we may make without further notice, in the event of an

extension or shortening of the above-mentioned Interest

Period.

Chilede Group—Mr. P. C. Aspinwall, director, exercised an option on 20,000 ordinary shares at 53.5p.

Centrovaldo Estates—Mr. J.

Guernsey—For sale

Financial Times Tuesday August 8 1978

BIDS AND DEALS

Eastwood warns Govt. on Imps bid probe

J. E. Eastwood, the egg and poultry concern, has warned the Government that a decision to bid for Imperial Group's £38.2m cash bid for Eastwood, to the Monopolies Commission for investigation, could force the company to implement contingency plans for lay-offs and redundancies.

Last year pre-tax profits of Eastwood slumped from £3.8m to just over £1m. However, under the terms of cash bid from Imperial and also from Cargill, the U.S. grain merchant, Eastwood, which is offering £31.2m, Eastwood has been given assurances on future job security.

Sir John Eastwood, chairman of Eastwood, told shareholders in a letter sent out last week that he had strongly urged the Office of Fair Trading to ban Imperial's offer while it was still under investigation. The first closing date for Imps' cash offer is due on Friday.

Sir John, with the backing of the Eastwood Board, is advising shareholders to accept the Imps bid.

He says: "The adverse trading conditions experienced in the last few weeks of the previous year have continued in the current year and although there have been some signs of improvement in recent weeks your Board cannot with confidence predict any real improvement in these conditions for the time being."

Mr. Clegg, Cargill's managing director, has immediate hopes on the prospect that Imperial's bid of 180p a share, will result in a Monopolies probe—given that a merger will give the combined Imps and Eastwood businesses a 32 per cent share of the UK broiler chicken market and substantial shares of the egg market.

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WORLD STOCK MARKETS

Wall St. edges ahead in active early trade

INVESTMENT DOLLAR PREMIUM
\$2.60 to \$1.99% (99%)
Effective \$1.915 - 81% (47%)

FOLLOWING LAST week's marked advance, the Wall Street stock market moved moderately over the counter. Firms trading in higher yesterday morning in further active trading.

The Dow Jones Industrial Average, up 32 points over the past week, recorded a fresh improvement of 89.63 at 1 p.m. The NYSE All Common

Closing prices and market reports were not available for this edition.

Index was 20 cents firmer at 535.4, while gains outnumbered declines by better than a seven-to-five margin. Trading volume amounted to 23,228 shares but fell short of last Friday's comparable amount of 25,881.

Analysts said the overall tone of the market remains firm and a fair amount of money still remains on the sidelines to be invested. They noted that investors have been encouraged recently by a feeling that interest rates are peaking.

Bankers gained 1% to \$247, Molitora \$1 to \$31, Heath Techna \$1 to \$22, Boeing 1% to \$74,200, Mines 1, in \$221, IBM 1% to \$280, Flexi-van \$1 to \$24 and Murphy Oil 1% to \$42.

Canada

Shares on the Montreal Stock Exchange recorded further gains in moderate early dealings yesterday, yielding to Wall Street's positive lead in the absence of the Toronto market. The Toronto

Beech Aircraft were up \$1 to \$30—Beech said that it has reached agreement on a new three-year contract with the International Association of Machinists and Aerospace Workers.

Interco shed 1% to \$44 and, over the counter, Finsbury put \$1 to \$142 bid—Interco has agreed to acquire Finsbury for \$17 per share in case of Preferred stock.

Overnite Transportation rose \$2 to \$23—company workers have voted to reject a Teamsters Union organisation attempt. Tropicana Products gained 1% to \$21 and Bearclife Foods were up \$1 following news of the completion of the merger between the two companies.

PRICES ALSO climbed higher on the American side. The Amex index was up 0.65 more to 158.58. Turnover came to 2,800 shares at 1 p.m. against last Friday's comparable amount of 2,588.

New Hampshire Ball Bearing rose 1% to \$21—the company reported sharply higher fiscal 1978 earnings.

Core Laboratories advanced 1% to \$40.

Shares on the Montreal Stock

Exchange recorded further gains in moderate early dealings yesterday, yielding to Wall Street's positive lead in the absence of the Toronto market. The Toronto

Tokyo

Share prices closed predominantly lower on profit-taking and general selling, breaking the market's recent rising trend. The Nikkei-Dow Jones Average declined 34.06 to 5,557.95 and the Tokyo SE index reacted 23 to 420.57. Turnover was moderate.

Zanussi, a company with 140m shares traded on Saturday's half-day session and last Friday's 280m.

Export-oriented Electricals, Motors and Cameras showed early gains in response to a partial

Vancouver stock exchanges were closed for a civic holiday. Industrial stocks were fractionally lower on index but all other major indices improved. The Montreal Composite index was 0.17 firmer at 206.60 at noon, while Utilities put on 0.57 to 185.67. Banks 0.21 to 288.12 and Papers 0.31 to 130.91.

Transcanada Pipe gained 1% to \$28.1, while Canadian "A," CS281, and Hudson's Bay, CS24, picked up 1 pice. Adding 1 each were Consumers Gas, CS19, Canadian Imperial Bank, CS281, Stelco "A," CS281 and Steinberg, CS204.

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Tokyo, but most closed lower on balance after buying subsided. Sony lost Y10 to Y1570, Matsushita Electric Y8 to Y730, Canon Y4 to Y46 and Honda Motor Y2 to Y34.

Some Public Works issues and Populists firmed initially, but the rise failed to gather momentum, while recently-selected Chemicals, Textiles, Foods and Machines retreated in the absence of fresh market factors.

Pharmaceuticals, however, continued to advance, with Hisamitsu Pharmaceutical closing the day's limit of Y200 up at Y1,390.

Others resisting the downturn included Ito-Yokado, Y100 up at Y1,570, Meito Sangyo, Y70 higher at Y988, Koatsu Gas Kogyo, Y60 at Y828, and Chunga Pharmaceutical, Y55 harder at

Y50.

However, Kyushu Electric

rose to Y1,310, K. Haider

Y30 to Y1,280, Orient Leasing, Y50 to Y1,100, Shibusaki Electric Power Y30 to Y1,090, Clarion Y28 to Y41, Yokogawa Bridge Works Y25 to Y975 and Ezaki Glico Y24 to Y228.

Stocks were inclined to drift lower on lack of fresh buying interest.

Shering fell 7 to DM 263 on unconfirmed rumours that a

new chairman was to be named.

Osman, which announced last

Friday's higher first-half sales, shed 60 cents to FrFr 24.50.

Bouygues receded 14 to FrFr 578, Carrefour 22 to FrFr 1,728, Borel 2 to FrFr 151.0 and Moret

Hennessey 11 to FrFr 569, but

Comptoir des Entrepreneurs, Guyanne, Numur, Pellet, Alspel, Poclain, Club Mediter, Mistra, Fraissinet and Maritimes des

Chargeurs improved against the trend.

Market lost ground in this

despite the fact that brokers have already

left for the vacation, and are

expected to depart in the next

few days. Market activity is

expected to return to normal

levels gradually after the four-day

holiday in mid-August.

Pirelli fell 37 to L1,625, Fiat 18 to L1,750 and Italstet 9.7 to L204.15.

Australia

The Sydney stock market was

closed yesterday for the New

South Wales bank holiday, but

Melbourne was open with shares

often gaining further.

Industrial leader BHP hardened

2.5% more to A\$7.94 while

gains of 3 cents apiece were

recorded in Woolworths, A\$1.62,

at SwFr 835, Souter, 85 cents

higher, and Jelmon, A\$1.70.

Property Trust, A\$1.70. However, which gained 20 at SwFr 1,505.

and/or scrip issue, r per share, r

r Gross div., r per share, r

r Dividend after pending rights, r

FARMING AND RAW MATERIALS

Farm exporters 'need special aid'

BY CHRISTOPHER PARKES

BRITAIN'S INFANT agricultural export trade needs special assistance from the City and statutory bodies to help it strengthen its position in world markets, the Advisory Council for Agriculture and Horticulture said yesterday.

The council, which advises the Ministry of Agriculture, said in a report that most of the companies involved were small and lacked experience in the export business.

The joint stock banks should take on agricultural specialists expressly to advise farm exporters, and an export credit and finance information and advisory unit should be set up to help.

The unit—which would fit happily under the umbrella of the existing British Agricultural Export Council—would provide information on sources of export finance, identify the ways existing services could be improved, and help train would-be exporters.

The report suggested that bank loan guarantees now offered by the Agricultural Credit Corporation should be extended to the export field to stimulate production specifically for export.

The Government should consider meeting the corporation's charges for any such guarantees.

The Export Credit Guarantee Department should also take greater account of the special needs of the agricultural trade.

The council's investigators found many potential exporters frustrated by the complexities of exporting, particularly in credit and finance. They also heard from many complaints of a lack of SAE.

Buoyancy of sugar market maintained

BY RICHARD MOONEY

LAST WEEK'S buoyant mood on the world sugar market was maintained yesterday with the London daily price rising another £3 to £88.4 a tonne. The December position on the London futures market put up £1.6 to £87.75 a tonne.

Sugar prices ended a long decline two weeks ago and have since staged a spirited recovery. At one stage the LDF was down to £87.4 a tonne.

The emergence of Chinese buying interest at the bottom of the market was a major encouragement to the turnaround in sentiment. The new-found strength of the market has been

maintained by increased demand from Middle East and North African countries.

Selling pressure at the terminal market has been fairly thin; meanwhile, as most traders have already completed their forward hedging against forward purchases of next season's crop.

Recent price rises may have been influenced by early European beet harvests which have generally indicated lower crops. One trader suggested yesterday, however, that non-professional traders might be tempted to overestimate the forthcoming price declines.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Metal prices on the London Metal Exchange, after closing at the day's high of £7.67 in the morning following yesterday's record metal market, had a slight dip in the afternoon which reflected the lack of follow-through on futures. The rise in warehouse stocks had been widely expected and had little effect on the market. Turnover £31.5m, up 10.5 per cent.

LEAD—Metal prices on the London Metal Exchange, after closing at £2.50, up 1.2 per cent, were £2.50, up 1.2 per cent.

Three month Lead £22.50

STOCK EXCHANGE REPORT

Demand from institutions helps push 30-share index through 500 with a rise of 8.2 at 505.4—Golds higher

Account Dealing Dates
Opinion
First Declara- Last Account
Deals in Account Dealing Days
July 24 Aug. 3 Aug. 4 Aug. 15
Aug. 7 Aug. 17 Aug. 18 Aug. 30
Aug. 21 Aug. 31 Sep. 1 Sep. 12
** New time* deals may take place
from 7.30 a.m. two business days earlier.

The new account in the UK stock markets started with a flourish yesterday and the FT 30-share index breached the 500 mark for the first time since early November last year. Initially, buying interest was fairly patchy in the leaders—but some good investment demand developed in the late morning and a rise of 3.3 in the index at 11 am was extended to 7.2 at noon. Thereafter, the pace of the advances slackened considerably. Nevertheless, buyers were still in command and indices closed at the best of the day with a rise of 5.2 at 505.4. Some of the gains in the leaders were accentuated by stock shortage. Underlying sentiment was helped by several encouraging surveys on the economic outlook in the U.K.

Secondary issues also recorded numerous rises with weekend Press tips meeting a ready response. J. Lyons, down 4 at 183p, was actively traded following comment on the bid from Allied Breweries, and fears that the offer may be referred to the Monopolies Commission. Among the sectors, Oils took a marked turn for the better after a Press suggestion that the recent reaction in response to the Government's new tax proposals had been overdone. This was reflected in a rise of 2.1 per cent to 40.62 in the FT-Actuaries index for the sub-section.

Hopes that the mid-July bond auction due to be published today will prove encouraging gave a further fillip to British Funds. Much of the day's interest again centred on the shorts which gradually pushed ahead in the course of a useful business to close with fresh gains extending to 14. Longer maturities traded quietly, but improved by around 1.4 in sympathy with the shorts. The July wholesale prices indices were in line with expectations and had little impact on sentiment.

Investment currency was opened lower on sterling's early strength yesterday, but few sellers were in evidence and overnight buyers for investment on Wall Street helped to take the market closer to the day's best of 1064, for a net rise of two points. Yesterday's conversion factor was 0.6531 (0.6578).

In line with increased activity in the equity market, business in Traded Options picked up and 713 contracts had been completed by the close, more than double Friday's 330. Land Securities were the most popular and here 203 contracts were done, 85 in the October 240 series. Prices of its October 180 and 200 series im-

proved 3 apiece to 65p and 46p respectively.

Comm. Union please

Commercial Union touched a 1978 peak of 165p before closing a net 3 dearer at 160p after reporting first-half profits at the top end of market estimates. The announcement helped sentiment in other Commercials. Insurance and prices moved forward mainly although a late reaction left most below the best. General Accident, due to report interim figures tomorrow, closed unaltered at 233p, while Sun Alliance added 4 at 574p, after 57p. Elsewhere, life issues were strong with Pearl particularly notable for an advanced 10 to 165p. Elsewhere, 7.65p while British and Equity and Law both finished 6 better at 180p and 188p respectively.

The major clearing banks, which have been neglected since the disappointing interim dividend statement, found renewed support and contributed to the general firm trend. Barclays added 8 to 342p and Midland improved 6 to 310p.

Breweries spent a quiet session, Allied, at 86p, recovered 11 of Friday's loss of 8 which followed the announcement of the agreed bid for Lyons. Still reflecting bid hopes, Belhaven edged forward a penny more to a 1978 peak of 36p. Elsewhere, Highland Distilleries became active and closed 7 better at 151p.

Leading Building descriptions had useful improvements on small persistent buying. Bluebird advanced 6 to 178p and London Brick 7 to 75p, the latter aided by Press comment. EMC and Cement Roadstone both firm 7 to 143p and 161p respectively.

Construction issues favoured included Richard Corstall, 208p, and Newsham, 185p, up 3 and 4 respectively, while French Kier gained 3 to 125p, the last-mentioned helped by a bid from the latter's owner, Heywood Williams Advanced 3 to 144p, while speculative support in a thin market left May and Hasset 8 up at 78p. Buyers came in for Wilson (Connolly) which firm 7 to 145p.

In a small turnover, ICI and Fisons improved 8 to 397p and 7 to 372p respectively. Allied Colloids found support and firm 4 to 83p.

Marks & Spencer firm

Stores started the new account in the same firm fashion as had the unlisted ones. Marks and Spencer were popular in the small-priced field, following the on-going scrip-issue, and after the good 88p sentiment was helped by the chairman's report on the group's planned Japanese sales drive. UDS continued firmly at 165p, up 3, after 166p, while Gussies "A" 314p, and House of Fraser, 163p, rose 4 and 5 respectively.

Elsewhere, Hardy Peacock, 93p, following weekend

and Co. (Furnishers), 39p xd, and the "A" 36p xd, added 6 and 4 respectively after Press comment. Formaster moved up 8 to 156p, while Home Charter gained 6 at 185p as did Raybeck, to 102p.

GEC continued firm in Electricals, rising 9 to 235p xd, while Decca ordinary and "A" both put on 40 to 495p and 40p respectively. Small buying in a restricted market lifted United Scientific 12 to 347p for a two-day improvement of 29, while investment demand left Thorn Electrical 10 better at 390p and Racal Electronics 13 to the good at 293p.

Engineering leaders encountered a useful investment demand and some speculative support help the ordinary closing 7 higher at 125p and the A 3 dearer at 98p, while Dartmouth Investments put 4 to 25p for a similar reason.

Wagon Industrial gained 7 to 140p in response to the higher annual earnings and Glynnwood improved 3 to 148p, while the A 7 to 125p. De La Rue rose 10 to 488p and ICL 8 to 372p. Stock shortage brought a bid about a fresh rise of 7 to 220p in Philip Harris, while Thomas Frazer were notable for a rise of 6 to 65p.

Following the recent hectic trade on reports of record levels for car sales, activity in Motors and Distributors became somewhat quiet and price movements were generally limited to a penny or two. However, Ley Service, which reported interim figures on August 17, featured a rise of 41 to 494p in active trading fuelled by Press comments. Lucas Industries rose 4 to a 1978 peak of 328p, while Press comment was reflected in a bid of 74p and 7p higher. Associated Dairies reflected a bidder's circular with a rise of 8 to 360p, and fresh speculative demand lifted J. Bibby & Sons 25p to 31p.

Newspapers had modest improvements after a reasonable turnover. In Paper/Printings, persistent demand lifted Chapman

Engineering 8 to 83p, while small buying prompted a gain of 10 to 183p in L and P Poster.

Properties continued firm, still on the possibility of an early modest cut in interest rates, but closed slightly below the best after encountering profit-taking. English Property was a notable exception, closing at the day's best of 41p, up 2p. Stock Conversion finished a couple of pence dearer at 274p xd aided by the company's profit forecast contained in the annual report. Awaiting today's annual results, Bernard Stanley put on 4 to 229p, while UK Property firm 2 to 223p on a Press recommendation.

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